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Congressional Record

PROCEEDINGS AND DEBATES OF THE 106th CONGRESS, FIRST SESSION

Vol. 145 WASHINGTON, FRIDAY, NOVEMBER 19, 1999 No. 165

House of Representatives

The House met at noon.

REVISED NOTICE—NOVEMBER 17, 1999

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By order of the Joint Committee on Printing.

WILLIAM M. THOMAS, *Chairman.*

NOTICE

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MICHAEL F. DiMARIO, *Public Printer.*

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Printed on recycled paper.

The Reverend Dr. Ronald F. Christian, Chaplain, Lutheran Social Services, Fairfax, VA, offered the following prayer:

Almighty God, we speak our words of gratitude from hearts that sense Your goodness.

You open Your hand and You satisfy the desire of every living thing, and so we raise our thankful song, for again the fall harvest has provided us with granaries that are overflowing.

The good Earth has produced bountiful fruits and seeds, and we are all blessed because of it.

So this day we are a chorus of Your grateful recipients, and we sing as so many have sung through the years.

Now thank we all our God with heart and hands and voices.

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Indiana (Mr. PEASE) come forward and lead the House in the Pledge of Allegiance.

Mr. PEASE led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 235. Concurrent resolution providing for a conditional sine die adjournment of the first session of the One Hundred Sixth Congress.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H.J. Res. 82. Joint resolution making further continuing appropriations for the fiscal year 2000, and for other purposes.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. PEASE). Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

THOUGHTS ON THE FIRST SESSION OF THE 106TH CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. HASTERT) is recognized for 5 minutes.

Mr. HASTERT. Mr. Speaker, as the first session of the 106th Congress concludes, I think it is proper to give this legislative body my thoughts on what the House has accomplished this year and what is left to accomplish next year. Together we have enjoyed many victories and some disappointments.

When I became Speaker last January, the House needed some serious work. The distrust and bitterness and rampant partisanship of both parties threatened to undermine the public support of this House. We had Members who would not even talk to each other, let alone work with one another.

Given that situation, last January in this very spot I said solutions to problems cannot be found in a pool of bitterness. Solutions can be found in an environment in which we trust one another, and we trust one another's word, and where we generate heat and passion, but where we recognize that each Member is equally important to our overall mission of improving the life of America's people.

We have made progress in putting that bitterness behind us, because we decided to go to work. Members of the minority cosponsored six out of the ten top bills introduced by the majority.

Our greatest achievements this year had bipartisan support: The budget bill that we just passed, the Social Security lockbox bill, the appropriations bills, the missile defense bill, the Education Flexibility bill and the Financial Services Modernization Act. Both parties must continue to promote their views and their philosophies, but we must never sacrifice the common good of the American people on the altar of partisan competition.

We have proved that when we work together, we get our work done. This year, we passed the budget on time for only the second time since 1974. By completing our budget on time, we were able to complete all 13 appropriations bills without dipping into the Social Security Trust Fund, doing that for the first time since 1967. For the second consecutive year we passed a balanced budget. That is the first time that has happened since 1960.

The appropriations process was hard work and took longer than I wanted to take, but, thanks to the dogged determination of the gentleman from Florida (Chairman YOUNG) and the ranking member, the gentleman from Wisconsin (Mr. OBEY), and the rest of the Committee on Appropriations, we completed the work of the House; and, by doing so, we made great progress in preparing America for the next century.

We had four goals at the beginning of this Congress: Protect retirement security for the next century, improve national security by bolstering our armed services, reform our education system so that all of our children can go to a good school in a safe environment, and promote economic security and fairness by paying down debt while giving tax relief to American families.

We have made progress in all four areas. Our budget stopped the raid on Social Security for the first time in 30 years. Why do we care so much about protecting Social Security and the surplus? Let me give you three reasons.

First, it helps to strengthen the Social Security system far into the next century. That means baby-boomers can have the peace of mind that Social Security will be there for them.

Second, when we protect the Social Security surplus, we also pay down the Nation's debt. Think about how good you feel when you pay off your home mortgage or your car loan. When we take responsibilities for our Nation's debt, we ease the crippling burden of our debt on our children and our grandchildren. Our budget discipline has allowed our government to make the largest debt reduction payment in the history of this Nation.

Third, when we protect the Social Security surplus, we stop the government's spending spree. We have torn up the government credit card and said that now it is time for a new era of fiscal responsibility.

Retirement security also includes vital programs like Medicare, and I am pleased that we were able to take steps to restore vital funding for Medicare. The health care bureaucrats misinterpreted the Balanced Budget Act guidelines and began slashing Medicare reimbursements to nursing homes, hospitals, and other health care agencies.

We believe that Medicare must be more efficient, yet still responsive to the needs of our citizens. We passed reform that fulfilled those needs and restored funding to the nursing homes and hospitals.

Millions of seniors rely on Medicare every day. Our government must continue to improve and strengthen this lifeline for our seniors. We still have a year left in this Congress, and I hope that the President will work with us to find long-term solutions to the problems that affect the Medicare program.

As important as retirement security is to older Americans, education is vital to the future of all Americans. As a former public schoolteacher, improving education is one of my top priorities.

America's teachers and parents and grandparents have told us that they want the government to help improve the Nation's schools. We have responded by putting education improvement at the top of our agenda, and I am proud to say that we passed more education funding with less strings attached, which ensures that more dollars will go directly to the classroom.

Earlier this year the President signed our legislation that would give more control over education to parents and teachers and local administrators. Although Washington provides only 6 percent of the resources for our Nation's schools, it mandates over 60 percent of the red tape that our schools have to

deal with. The Federal Government should be providing a helping hand not a heavier load for our Nation's schools.

We also passed legislation to improve teacher quality, improve student results, and give parents and teachers more flexibility to teach our children. Every child should have the opportunity to go to a school in a safe environment, and we are committed to seeing that those opportunities exist.

Likewise, all Americans must be safe from international threats, and so our Republican majority will continue our commitment to improving the national security.

I am proud to say that we have successfully increased commitment to our men and women in uniform. We have given them a well-deserved pay increase. We have increased defense spending in other areas so that our troops have the resources to get the job done. And why have we made this commitment to our nation's defense? It is a dangerous world out there, and for too many years the administration has been slashing funding for our military, while at the same time asking our troops to serve in more and more dangerous places around the world.

We currently have soldiers and sailors stationed in the Middle East, in Bosnia, in Kosovo, in East Timor and Korea, to name just a few places. Our servicemen and servicewomen spend months away from their families and are poorly compensated for doing so, and, as a result, many of them are leaving the military. In these good economic times, it is crucial that we increase our military budget to deter hostile or maverick countries and to improve the quality of life for military personnel and their families.

We also passed and the President signed a national missile defense bill that will make our homes and neighborhoods safer. Many hostile nations are developing missile technology that will soon put the United States in harm's way. Fortunately, our missile defense bill makes it a national priority for the United States to develop a missile defense system capable of protecting us from the threat of enemy missiles.

As Americans, our liberty is our most valuable asset, and we must protect ourselves from those who would threaten it. National defense is among the most important roles of our Federal Government. This is why this Congress will continue to support our military and give our troops the funding they need to defend America and her interests.

Finally, we remain committed to providing tax relief to the American people. This is why we sent a fair and responsible tax relief package to the President's desk.

Currently we have a Tax Code that punishes couples for getting married through the marriage tax penalty. We have a Tax Code that punishes people for trying to save for retirement through the capital gains tax. We have a Tax Code that punishes widows through the death tax.

The time has come to get some fairness to the Tax Code. Couples should be able to get married without the fear of higher taxes, the government should be encouraging people to save for retirement, not punishing them, and our tax relief package was responsible because it took money out of Washington and put it back into the pockets of the people who earned it, the American people. It would be irresponsible to leave the whole $3 trillion surplus here in Washington so that only politicians can spend it.

Our tax relief package kept faith with the balanced budget and it secured $2.2 trillion for retirement security and for debt relief. As a matter of fact, our budget spends down $350 billion of national debt this year. Although the President vetoed this common sense proposal, I hope he will work with us next year to provide tax relief to the American people.

We have come a long way since the House first asked me to be the Speaker, but we still have much left to accomplish next year, and we will consider a conservative agenda that makes America a more compassionate place to live.

Earlier this month the President and I went to the South Side of Chicago to promote a plan that we hope will revitalize America's most impoverished urban and rural communities. It accomplishes this goal through tax incentives, environmental cleanup, and other private sector and public sector partnerships. Coupled with common sense education reform and better crime and drug control strategy, we can make these communities a safer place to grow up and to raise a family.

This is compassionate conservatism.

We will push for tax relief for the American family. It is compassionate to put more dollars into the family budget.

We will consider health care legislation that will make HMOs more accountable and health care insurance more accessible.

We will take up a trade bill for Africa and the Caribbean basin. We believe helping these countries help themselves is done more effectively with trade, not necessarily foreign aid.

We will continue to find ways to improve retirement security for our Nation's seniors by addressing the long-term problems that face our Social Security system, our Medicare system, and our pension system. And we will continue to do the work of the House.

As we continue our agenda in the second session of the 106th Congress, we will fight for certain principles. We will fight to keep the Social Security surplus dedicated only to retirement security, we will also continue to fight for the principles of a smaller and smarter government, and we will continue to fight against government waste, unnecessary government power and undue government influence.

Government does have an important role to play in the lives of the American people. It does have a responsibility to secure the freedom and promote the general welfare of its citizens.

But we must remember this: the Government works for the people; the people should not be forced to work for the Government.

I want to thank my colleagues for the great trust that they have placed in me over the course of this session. It is a great honor and privilege to serve as Speaker of the House. I look forward to an even more productive second session.

RECESS

The Speaker. Pursuant to clause 12 of rule I, the Chair declares the House in recess for 5 minutes.

Accordingly (at 12 o'clock and 20 minutes p.m.), the House stood in recess for 5 minutes.

□ 1225

AFTER RECESS

The recess having expired, the House was called to order at 12 o'clock and 25 minutes p.m.

CORRECTING ENROLLMENT OF H.R. 3194, CONSOLIDATED APPROPRIATIONS AND DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 2000

Mr. PEASE. Mr. Speaker, I ask unanimous consent that House Concurrent Resolution 239, directing the Clerk of the House of Representatives to make a technical correction in the enrollment of the bill H.R. 3194, which has been introduced, be considered and adopted.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The text of House Concurrent Resolution 239 is as follows:

H. CON. RES. 239

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H.R. 3194), making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 2000, and for other purposes, the Clerk of the House of Representatives shall insert before the comma at the end of section 1000(a)(7) of division B the following: '', except that subsection (c) of section 912 of H.R. 3427 shall be deemed to read as follows:

'(c) ADVANCE CONGRESSIONAL NOTIFICATION.—

'(1) FISCAL YEAR 1998.—Funds made available pursuant to section 911(a)(1) may be obligated and expended beginning on or after December 15, 1999, provided that the appropriate certification has been submitted to the appropriate congressional committees.

'(2) FISCAL YEARS 1999 AND 2000.—Funds made available pursuant to paragraph (2) or (3) of

section 911(a) may be obligated and expended only if the appropriate certification has been submitted to the appropriate congressional committees 30 days prior to the payment of the funds' ''.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ADJOURNMENT TO MONDAY, NOVEMBER 22, 1999

Mr. PEASE. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Member (at his own request) to revise and extend his remarks and include extraneous material:

Mr. HASTERT, for 5 minutes, today.

ADJOURNMENT

Mr. PEASE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 26 minutes p.m.), under its previous order, the House adjourned until Monday, November 22, 1999, at noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

5471. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting the Committee's final rule—Procurement List Additions—received November 18, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

5472. A letter from the Director, Office of Procurement and Assistance Management, Department of Energy, transmitting the DOE's 1999 list of government activities not inherently governmental in nature; to the Committee on Government Reform.

5473. A letter from the President and Chief Executive Officer, Overseas Private Investment Corporation, transmitting a report on the FY 1999 activities of the agency's formal management control review program, pursuant to 5 app.; to the Committee on Government Reform.

5474. A letter from the Board Members, Railroad Retirement Board, transmitting the Board's commercial activities inventory; to the Committee on Government Reform.

5475. A letter from the Inspector General, Social Security Administration, transmitting the Administration's inventory of commercial activities; to the Committee on Government Reform.

5476. A letter from the Director, Fish and Wildlife Service, Department of the Interior, transmitting the Department's final rule—Endangered and Threatened Wildlife and Plants; Determination of Endangered Status for the Plant Lesquerella thamnophila (Zapata Bladderpod) (RIN: 1018–AE54) received November 15, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 1838. Referral to the Committee on Armed Services extended for a period ending not later than November 22, 1999.

H.R. 3081. Referral to the Committee on Education and the Workforce extended for a period ending not later than November 22, 1999.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. ACKERMAN (for himself, Mr. KING, Mr. WEINER, Mr. FORBES, Mrs. MALONEY of New York, Mr. CROWLEY, Mr. BENTSEN, Mr. CALVERT, Mr. CAPUANO, and Mr. OSE):

H.R. 3511. A bill to prohibit deductions under the Internal Revenue Code of 1986 for payments to Holocaust survivors under certain settlements; to the Committee on Ways and Means.

By Mrs. CHRISTENSEN:

H.R. 3512. A bill to amend title 46, United States Code, to exempt from inspection certain small passenger vessels that operate in waters of the United States only in the Virgin Islands; to the Committee on Transportation and Infrastructure.

By Mr. TALENT (for himself and Mr. THUNE):

H.R. 3513. A bill to provide for grants to assist value-added agricultural businesses; to the Committee on Agriculture.

By Mr. GILMAN (for himself and Mr. GEJDENSON):

H. Con. Res. 239. Concurrent resolution directing the Clerk of the House of Representatives to make a technical correction in the enrollment of the bill H.R. 3194; to the Committee on House Administration.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 230: Ms. PELOSI.

H.R. 939: Ms. MCKINNEY and Mr. WATT of North Carolina.

H.R. 1168: Mr. FOSSELLA, Mr. GILCHREST, and Mr. MCINNIS.

H.R. 1275: Mr. LAZIO, Mr. RANGEL, Mr. CONYERS, Mr. SABO, Mr. WYNN, Ms. PELOSI, Mr. INSLEE, Mr. BILBRAY, Mr. BERMAN, and Mr. HALL of Ohio.

H.R. 1322: Mr. BILBRAY.

H.R. 1606: Mrs. MALONEY of New York.

H.R. 2166: Ms. BERKLEY and Mr. DEFAZIO.

H.R. 2511: Mr. GOODLATTE.

H.R. 2782: Mr. ROTHMAN

H.R. 2893: Mr. UDALL of Colorado

H.R. 2966: Mr. DELAHUNT

H.R. 3293: Mrs. MCCARTHY of New York, Ms. SLAUGHTER, and Mrs. FOWLER.

H.R. 3405: Mr. FRANKS of New Jersey.

H. Res. 357: Mr. DAVIS of Florida.

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PROCEEDINGS AND DEBATES OF THE 106th CONGRESS, FIRST SESSION

Vol. 145 WASHINGTON, FRIDAY, NOVEMBER 19, 1999 No. 165

Senate

The Senate met at 10 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

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MICHAEL F. DiMARIO, *Public Printer.*

● This ''bullet'' symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Dear God, it is with reverence and commitment that we address You as Sovereign of our lives and of our Nation. You are absolute Lord of all, the one to whom we are accountable and the only one we must please. Our forefathers and foremothers called You Sovereign, with awe and wonder as they established this land and trusted You for guidance and courage. Our founders really believed that they derived their power through You and governed with divinely delegated authority.

In our secularized society, Lord, recall the Senators to their commitment to Your sovereignty over all that is said and done. May this day be a reaffirmation that You are in control and that their central task is to seek and to do Your will. Thank You that this is the desire of the Senators. So speak, Lord; they are listening. Guide, strengthen, and encourage faithfulness to You. In Your holy, all-powerful name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable CHUCK HAGEL, a Senator from the State of Nebraska, led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

Mr. HAGEL. I thank the Chair.

SCHEDULE

Mr. HAGEL. Mr. President, on behalf of the leader, this morning the Senate will consider numerous legislative items that have been cleared for action. Following consideration of those bills, the Senate will resume debate on the final appropriations conference report. Cloture was filed on the conference report yesterday, and it is still hoped that those Senators objecting to an agreement to change the time of the cloture vote to occur at a reasonable hour during today's session will reconsider. However, if no agreement is made, the cloture vote will occur at 1:01 a.m., Saturday morning. Senators may also expect a vote on final passage to occur a few hours after the cloture vote. In addition, the Senate could consider the work incentives conference report prior to adjournment.

Mr. President, I thank you.

I suggest the absence of a quorum.

Mr. REID addressed the Chair.

Mr. HAGEL. Mr. President, I would ask the acting minority leader be recognized.

The PRESIDENT pro tempore. The Senator from Nevada.

BANKRUPTCY REFORM

Mr. REID. Mr. President, I hope in the final hours of the session in the final day we will not forget the progress that has been made on the bankruptcy bill. I spoke to the manager of the bill, the subcommittee chair, late yesterday evening, and he indicated that there was some thought by the Republican majority leadership they would accept the unanimous-consent agreement that I suggested yesterday morning. As I indicated at that time, we have gone from some 320 amendments down to 14, 7 of which have either been accepted or they will be resolved in some manner. We only have seven contested amendments.

I hope we do not lose the initiative that has taken place to this point in the next few hours, or the next few minutes, really, that we could enter into that unanimous-consent agreement so that at such time as we return to the bankruptcy bill, we have a finite number of amendments and can proceed to wrapping that up. I repeat that it is not the minority but, rather, the majority that is holding up this most important bill.

Mr. HAGEL. Mr. President, I note the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

(Mr. HAGEL assumed the chair.)

Mr. DURBIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business.

The Senator from Illinois.

A CHALLENGING SESSION OF THE SENATE

Mr. DURBIN. Mr. President, the Senate, we hope today or perhaps tomorrow, will be bringing this session to a close. It has been a session which has involved some historic decisions by the Senate. Of course, it began with an impeachment trial of the President of the United States, which ended in a bipartisan decision of the Senate not to convict the President. Then, shortly thereafter, we faced a rather historic challenge in terms of our role in Kosovo. So we went from one extreme in the Constitution, involving an impeachment against the President, to the other extreme, where this Senate had to contemplate the possibility, the very real possibility, of war. That is how our session began, at such a high level with such great challenges.

There were so many other challenges that were presented to the Senate during the course of the year. I am sad to report that we addressed very few of them. Things that American families really care about we did not spend enough time on, we did not bring to a conclusion. So, as we return to our homes, States, and communities after this session is completed and we are confronted by those who are concerned about their daily lives and they ask us, What did you achieve during the course of this session? I am afraid there is very little to which to point.

This morning, I received some letters from my home State of Illinois from senior citizens concerned about the cost of prescription drugs, as well they should be, because not only are these costs skyrocketing, but we find gross disparities between the charges for prescription drugs in the United States and the cost of the very same drugs made by the same companies if they are sold in Canada or in Europe.

In fact, in the northern part of the United States, it is not uncommon for many senior citizens to get on a bus and go over the border to Canada to buy their prescription drugs at a deep discount from what they would pay in the United States. That is difficult for seniors to understand; it is difficult for Senators to understand as to why that same prescription drug should be so cheap if purchased overseas and so expensive for American citizens in a country where those pharmaceutical companies reside and do business.

The senior citizens have asked us, as well as their families who are concerned about the costs they bear, to do something. Yet this session comes to an end and nothing has been done—nothing has been done—either to address the spiraling cost of prescription drugs or to amend the Medicare program and to make prescription drugs part of the benefits.

Think about it: In the 1960s, under President Lyndon Johnson when Medicare was created, we did not include any provision for paying for prescription drugs. We considered it from a Federal point of view as if prescription drugs were something similar to cosmetic surgery, just an option that one might need or might not need, but certainly something that was not life-threatening.

Today, we know we were wrong. In many instances, because of the wide array of prescription drugs and the valuable things they can do for seniors, we find a lot of our senior citizens dependent on them to avoid hospitalizations and surgeries and to keep their lives at the highest possible quality level.

Last week, I went to East St. Louis, IL, the town where I was born, and St. Mary's Hospital and visited a clinic. I walked around and met groups of senior citizens and asked them how much they were paying for prescription drugs. The first couple took the prize: $1,000 a month came in from their Social Security; $750 a month went out for prescription drugs. Three-fourths of all the money they were bringing in from Social Security went right out the window to the pharmacy.

There was another lady with about $900 a month in Social Security; $400 a month paid in prescription drugs.

Another one, about $900 a month in Social Security; $300 a month in prescription drugs.

The last person we met, though, told another story. He was retired from a union job he worked at for many years, a tough job, a manual labor job, and he, too, had expensive prescription drugs, but he was fortunate. The union plan helped him to pay for them. Out of pocket, he puts down $5 to $15 a month and is happy to do it.

Think of the contrast between $750 a month and $15 a month. One can understand why people across America, seniors who want to continue to lead active and healthy lives, have turned to Congress and said: Please, learn from the President's lead in the State of the Union Address that we should have a prescription drug benefit.

This Senate—this Congress—will go home without even addressing that issue. That is sad. It is a reality facing American families. You will recall, as well as I, a few months ago we were all in shock over what happened at Columbine High School with the killing of those innocent students. This Senate made an effort to keep guns out of the hands of children and criminals with a very modest bill that said if you were going to buy a gun at a gun show, we want to know your background.

The bill passed. It was sent over to the House of Representatives. The gun lobby got its hands on it, and that was the end of it. End of discussion.

As we return home to face parents who say, what have you done to make America safer, to make communities, neighborhoods, and schools safer, the honest answer is nothing, nothing.

Take a look at campaign finance reform. Senator FEINGOLD of Wisconsin is on the floor. He has been a leader on this issue with Senator MCCAIN of Arizona. They had a bipartisan effort to clean up this mess of campaign funding in America. Yet when it came to a vote, we could muster 55 votes out of 100 favoring reform, which most people would say: You have a majority; why didn't you win?

Under Senate rules, it takes more than a majority. It takes 60 votes. We were five votes short. All of the Democratic Senators supported campaign finance reform, and 10 stalwarts on the Republican side came forward. Yet when it was all said and done, nothing was done. We will end this session never having addressed campaign finance reform, something so basic to the future of our democracy.

On a Patients' Bill of Rights, there is a term which a few years ago American families might not have been able to define. I think they understand it now. It was an effort on the floor of the Senate to say that families across America and individuals and businesses would get a fair shake from their health insurance companies; that life-and-death decisions would be made by doctors and nurses and medical professionals, not by clerks at insurance companies. It is that basic. Mr. President, you know as well as I, time and again, a good doctor making a diagnosis, who wants to go forward with a procedure, first has to get on the phone and ask for permission.

I can recall a time several years ago in a hospital in downstate Illinois where I accompanied a doctor on rounds for a day. I invite my colleagues to do that. It is an eye-opener to see what the life of a doctor is like, but also to understand how it has been changed because health insurance companies now rule the roost when it comes to making decisions about health care.

This poor doctor was trying to take care of his patients and do the right thing from a medical point of view, and he spent most of his time while I was with him on the phone with insurance companies. He would be at the nurses' station on a floor of St. John's Hospital in Springfield, IL, begging these insurance companies to allow him to keep a patient in the hospital over a weekend, a patient he was afraid might have some dangerous consequences if she went home before her surgery—her brain surgery—on Monday. Finally, the insurance company just flat out said: No, send her home.

He said: I cannot do that. In good conscience, she has to stay in the hospital, and I will accept the consequences.

That is what doctors face. Patients who go to these doctors expecting to get the straight answers about their medical condition and medical care find they are involved in a game involving health insurance companies and clerks with manuals and computers who decide their fate.

When we tried to debate that issue on the floor of the Senate, we lost. American families lost. The winners were the insurance companies. They came here, a powerful special interest, and they won the day. They had a majority of 100 Members of the Senate on their side, and American families lost.

Thank goodness that bill went to the other side of the Rotunda. The House of Representatives was a different story. Sixty-eight Republicans broke from the insurance lobby and voted with the Democrats for the Patients' Bill of Rights so that families across America would have a chance. But nothing came of it. That was the end of it. The debate in the House was the last thing said; no conference committee, no bill, no relief, no protection for families across America.

I will return to Illinois, and my colleagues to their States, unable to point to anything specific we have done to help families deal with this vexing problem.

The minimum wage debate is another one. Senator KENNEDY, who sits to my right, has been a leader in trying to raise the minimum wage 50 cents a year for the next 2 years to a level of $6.15. He has been trying to do this for years. He has been stopped for years. We are literally talking about millions of Americans, primarily women, who go to work in minimum-wage jobs and try to survive. Many of them are the sole bread winners of their families. We will leave this session of the Congress—the Senate and the House will go home—and those men and women will get up and go to work on Monday morning still facing $5.15 an hour.

In a Congress which could come up with $792 billion for tax breaks for the wealthiest people in America, we cannot find 50 cents for the hardest working men and women, who get up every single day and go to work, as people who watch our children in day-care centers, as those who care for our parents and grandparents in nursing homes, as those people who make our beds when we stay in hotels, service our tables when we go to restaurants. They get up and go to work every single day. This Senate did not go to work to help those people. We could find tax breaks for wealthy people, but when it came to helping those who are largely voiceless in this political process, we did nothing. We will return home and face the reality of that decision.

If there is any positive thing that came of this session, it emerged in the last few days. Finally, after an impasse over the budget that went on for month after weary month, the Republican leadership sat down at the table with the President. The President insisted on priorities, and you have to say, by any measure, he prevailed. And thank goodness he did.

Let me tell you some of the things that are achieved in the budget we will vote for. It has its shortcomings—and I will point out a few of them—but it has several highlights.

The President's 100,000 COPS Program across America has had a dramatic impact in reducing violent crime and making America a safer place to live. There was opposition from Republican leadership to continue this program. But, finally, the President prevailed, and we will move forward to send more police and community policemen into our neighborhoods and schools across America to make them safer. That is something achieved by the President, in negotiation with congressional leaders at the 11th hour and the 59th minute.

In the area of education, the President has an initiative at the Federal level which makes sense from a parent's point of view. If we can keep the

class sizes in the first and second grade smaller—rather than larger—teachers have a better chance to connect with a child, to find out if this is a gifted child who has a bright future, or a child who needs some special help with a learning disability, or perhaps a slow learner who needs a little more tutorial assistance to get through the first and second grade.

You know what happens when those kids do not get that attention? They start feeling frustrated and falling behind, and the next thing you know, it is even a struggle to stay in school, let alone enjoy the experience and learn from it. The President has said: Let's take our Federal funds, limited as they are, and focus on an American initiative to make class sizes smaller in the first and second grade.

I went to Wheaton, IL, and I saw a class like this. Believe me, it works. Don't take my word for it. Ask the administrators at the school, who applied for it, and the teachers who benefit from it. And the parents are happy that it is there.

The Republican side of the aisle resisted the President's initiative. But thank goodness, in the closing minutes of the negotiations, the President prevailed. Common sense prevailed. And we will continue this initiative to reduce class size.

The way we are paying for some of these things is very suspect; I will be honest with you. We had this long debate during the course of the year about the future of the Social Security trust fund. Some on the Republican side said: We will never touch it. Well, historically we have touched it many times. The money, the excess and surplus in that fund that is not needed to pay Social Security recipients has been borrowed by President Reagan, President Bush, and President Clinton, with the understanding it would be paid back with interest.

Now that we have gotten beyond the deficit era in America, when we talk about surplus, we hope we do not have to borrow from it in the future. So this year, to avoid directly borrowing from the fund, Republicans argued that they have done some things that are fiscally responsible.

Let me give one illustration. This budget agreement contains $38 billion for education programs. That is 7 percent, $2.4 billion, more than last year. However, this increase is due to the fact that the agreement includes $6.2 billion more in advance appropriations than last year's bill.

What is an advance appropriation? You borrow from next year. You do not take your current revenue; you borrow from next year. So in order to provide more for education, we borrow from next year.

You might assume, then, we are going to have this huge surplus of money from which we continue to borrow. It is anybody's guess. We pass a bill, we appropriate the money, but we cannot account for its sources.

Let me tell you about Head Start.

This is a good story. Head Start is a program created by President Lyndon Johnson in the Great Society. There were people who were critics of the President's initiatives, but Head Start has survived because it is a great idea. We take kids from lower income and disadvantaged families, and bring them into a learning environment at a very early age, put them in something similar to a classroom, and give them a chance to start learning. And we involve their parents. That is the critical element in Head Start.

This budget is going to provide $5.3 billion—the amount requested by the President—to serve an additional 44,000 kids across America, and to stay on track to serve 1 million children by the year 2002.

Class size reduction, which I have mentioned to you, is one that is very important to all of us. Disadvantaged students—there is $8.7 billion for title I compensatory education programs. That is an increase of $274 million, but it is still short of what the President requested.

In special education there is good news. This budget will provide $6 billion, $912 million—or 18 percent—more than the fiscal year 1999 appropriations for special ed. In my home State of Illinois, school districts will receive $227 million, a 62-percent increase since 1997.

Keep in mind these school districts, because of a court decision and Federal legislation, now bring disabled children and kids with real problems into a learning atmosphere to give them a chance. But it is very labor intensive and very expensive. I am glad to see that this budget will provide more money to those school districts to help pay for those costs.

Afterschool programs: We provide $453 million, an increase of $253 million, to serve an additional 375,000 students in afterschool programs. How important are afterschool programs? Ask your local police department. Ask the families who leave their kids at the school door early in the morning, and perhaps do not return home from work until 6 or 7 o'clock at night. They have to be concerned about those kids, as anyone would be. And the people in the local police department will tell you, after school lets out, we often run into problems. So afterschool programs give kids something constructive to do after school. I am glad the Federal Government is taking some leadership in providing this.

In student aid, the agreement increases maximum Pell grant awards to college students by $175, from $3,125 to $3,300. Since President Clinton has taken office, we have seen the Pell grants increase by 43 percent.

This is an illustration of things that can be done when Congress works together. But we literally waited until the last minute to consider the education bill in the Senate. What is the highest priority for American families was the lowest priority of the Appropriations Committee. When we wait that long, we invite controversy and delay. Fortunately, it ended well. The President prevailed. These educational programs will be well funded.

Let me tell you of a bipartisan success story: The National Institutes of Health. That is one of the best parts of the bill that we are going to vote on. It receives a 15-percent increase over last year's funding level. The National Institutes of Health conducts medical research. Those of us who are in the Senate, those serving in the House, are visited every single year by parents with children who suffer from autism, juvenile diabetes, by people representing those who have Alzheimer's disease, cancer, heart disease, AIDS. And all of them come with a single, unified message: Please, focus more resources, more money on research, more money on the National Institutes of Health. We increase it this year some 15 percent.

Fortunately, one of the budget gimmicks which would have delayed giving the money to the National Institutes of Health until the last 48 hours of the fiscal year was changed dramatically. Because of that change, we do not believe there will be any disadvantage to this important agency.

I will give you an example of the life of a Senator and how this agency affects it. A few weeks ago, a family in Peoria, IL, who had a little boy named Eric with a life-threatening genetic disease called Pompe's disease, called my office. Their son's only chance to live was through a clinical trial; in other words, an experimental project at Duke University, which was being sponsored by a private company.

Unfortunately, there were not any additional slots available for Eric in this clinical trial. The company could only manufacture enough of the drug for three patients. Eric would have been the fourth. Eric was denied admission to the trial for this rare disease. Sadly, Eric passed away. Pompe's disease is rare. Children like Eric frequently rely on the Government and its sponsored research for cures because a cure for a rare disease is unlikely to be very profitable for a lot of the pharmaceutical companies. I am glad to salute Senator SPECTER, Republican of Pennsylvania; Senator HARKIN, my Democratic colleague from Iowa; and my colleague from Illinois, Congressman JOHN PORTER, a Republican. They have made outstanding progress in increasing the money available for the National Institutes of Health in this bill.

There is money also available for community health centers. We have talked about a lot of things in this Congress, but we don't talk about the 42 million Americans—and that number is growing—who have no health insurance. Many of these Americans who are not poor enough to qualify for Medicaid and not fortunate enough to have a job with health insurance go to community health centers, trying to get

the basic health care which all of us expect for our families in this great Nation. These community health centers serve so many of these people, and they deserve our support. With a 30-year track record of providing quality service to America's most vulnerable, these community health centers need to have our support.

According to congressional testimony by the Health Resources Service Administration, which overseas health center programs, 45 percent of these health centers are at risk financially, 5 to 7 percent close to bankruptcy, and 5 to 10 percent in severe financial trouble. Between 60 and 70 health center delivery sites already have been forced to close their doors. Changes in the Medicaid program have cut the compensation for these centers. The Balanced Budget Act, which was good overall, made some cuts that really have resulted in deprivation of funds. An additional $100 million to community health centers would provide health care to another 350,000 Americans. It can open up 259 new clinics. This is something we should do.

Let me point to one thing I am particularly proud of in this bill. It is an initiative on asthma. I was shocked to learn of the prevalence of asthma in America today. I was stunned when I learned it is the No. 1 diagnosis of children who were admitted to emergency rooms across America. Asthma is the No. 1 reason for school absenteeism in America. When I asked my staff to research what we are doing to deal with asthma, I found that we did precious little. I started asking my colleagues in the Senate about their concerns over asthma and was surprised to find so many of them who either had asthma themselves or had a member of their family with asthma.

They joined in trying to find a new approach, a new initiative that would deal with this problem. Leading that effort was my colleague from the State of Ohio, Senator MIKE DEWINE. He and I put in an amendment, which was funded in this bill, to provide $10 million in funding to the Centers for Disease Control for childhood asthma programs.

What is asthma like? I have never suffered from it, thank God. But imagine this illustration: For the next 15 minutes, imagine breathing through a tiny straw the size of a coffee stir, never getting enough air. Now imagine suffering this three to six times a day. That is asthma.

There have been some innovative things that have been done. In Southern California, Dr. Jones, with the University of Southern California, has started a ''breathmobile'' moving around the areas and neighborhoods of highest incidence of asthma, identifying kids with the problem, making sure they receive the right treatment and that their parents and teachers know what to do. That is what we have to encourage. The $10 million Senator DEWINE and I have put in this bill for this type of outreach program for asthma can have dramatic positive results.

There is one other thing I will mention. That is a program in which I became interested in 1992. I went to Detroit, MI, and saw an effort that was underway to provide residential treatment to addicted pregnant women. I thought it was such a good program, I asked the directors: Where do you get your Federal funds? They said: We don't qualify for Federal funds. I went back to Washington and put a demonstration project in place so that we could take addicted mothers across America out of their drug-infested neighborhoods, put them in a safe environment, and try to make certain that the babies they would bear would be free from drug addiction.

It was a demonstration project, and it worked—1,500 children in 1994 in America were born drug free because of this program which we started in 1992. We were about to lose it this year. Imagine, we know a drug-addicted baby is extremely expensive, let alone, perhaps, a waste of great potential in human life. I was able to work with Senators SPECTER and HARKIN to put $5 million in the bill to expand our current efforts.

I say, in closing, there is one area of this bill I find particularly troubling. In a world which now has 6 billion people, in a world where we see the need for family planning and population control to avoid serious poverty, to avoid environmental disaster, and to avoid wars, the leadership in the House of Representatives and the Senate has turned a blind eye to international family planning. I cannot understand how this Republican Party—not all of them but many of them—can be so insensitive to the need for international family planning. Every year it is a battle. We have to understand that when population growth is out of control in underdeveloped countries, it is a threat to the stability not only of that country, of that region, but of the world and the United States.

We have to follow the lead of President Clinton and many in Congress who have said U.S. involvement in international family planning is absolutely essential. We hear arguments and see amendments offered because there are some who want to make this an abortion issue. The sad reality is that if a woman in a faraway land does not have the wherewithal to plan the size of her family and has an unintended pregnancy, it increases the likelihood of abortion. So family planning, when properly used, will reduce the likelihood of these unintended pregnancies. That is as night follows day, for those who care to even take a look at this policy issue.

I am sorry to report that although we are going to finally pay a major part of our U.N. dues, which has been an embarrassment to many of us for so many years while the Republican Congresses have refused to pay those dues, it was at the price of threatening international family planning programs. The Republican leadership in the House of Representatives insisted, if we are going to pay our U.N. dues, it has to be at the expense of international family planning programs. I think that is extremely shortsighted. I hope the next Congress will have a little more vision when it comes to family planning, when it comes to enacting a treaty, for example, a nuclear test ban treaty. The Senator from Nebraska, who is now presiding over the Senate, is working with Senator LIEBERMAN from Connecticut in an effort to revive that effort as well.

I hope the next session of Congress will be more productive in that area and many others.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. WELLSTONE. Mr. President, will the Senator from Nevada yield?

Mr. REID. Of course.

Mr. WELLSTONE. I ask unanimous consent I be allowed to follow the Senator from Nevada.

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

Mr. REID. Mr. President, before my friend from Illinois leaves the floor, I want to direct a few questions to him. I appreciate very much the outline of this congressional session made by my friend from Illinois. The Senator from Illinois and I came to the Senate from the House of Representatives. I feel a great affinity for my friend, not only for the great work he does but because we came as part of the same class. I made a number of notations as he gave his speech.

Isn't it about time we updated, revised, modernized Medicare? I say that because it was almost 40 years ago, certainly 35, 36 years ago, that Medicare passed. Almost 40 years ago, 4 decades ago, we didn't have prescription drugs; we didn't have drug therapies that extended lives or made life more comfortable for most people.

I say to my friend from Illinois, isn't it about time Medicare became modern? Isn't it about time senior citizens have a program where they can get an affordable prescription drug program to keep them alive, to keep them healthy?

Mr. DURBIN. I agree with the Senator from Nevada. Isn't it ironic that if you bought a hospitalization policy now, as an employee of a company, you would expect some sort of prescription drug benefit as part of it, that goes along with most policies?

Medicare does not include that. Seniors find themselves at a distinct disadvantage. Many of the seniors I talked to the other day in East St. Louis, IL, had heart problems. Back 35 years ago, we didn't have the wide array of potential prescription drugs to deal with blood pressure problems, for example. Now we do. The fact that these prescription drugs are available means longer and better lives for seniors.

Mr. REID. Also, while we are talking about prescription drugs, I offered an amendment in the Senate, which passed, that said for Federal employees—I tried to broaden it to cover all insurance policies but was unable to do that—health insurance programs, the people who are allowed to get prescription drugs should be allowed to get prescriptions for contraceptives. The reason is that there are 3.6 million unintended pregnancies in the United States and almost 50 percent of those wind up in abortion.

So if people really care about cutting back the number of abortions, we should have prescription drugs available in the form of contraceptives for people. But what the Senator didn't mention is hidden in this huge bill is language to lessen the effectiveness of this program. For reasons unknown to anyone, other than a way to attempt to help the insurance companies, they have said there is going to be a conscience clause for pharmacists. I say to my friend, I understand there should be a conscience clause for physicians who might prescribe these drugs, but does the Senator see any reason why you should weaken this most important piece of legislation in law and have a so-called conscience clause for pharmacists?

Mr. DURBIN. I do not. I agree with the Senator from Nevada that it is extremely shortsighted. Perhaps we are striking a moralistic pose when we say we are not going to allow prescriptions for contraception. In other words, we will acknowledge all of the other needs a woman may have, but not provide for birth control pills. That seems to me to be out of step with what American families expect us to do. Let them make the decision with their doctor. Instead, we are imposing on them what may be viewed by many as a moralistic point of view that should not be in our province. This is the first I have heard of this conscience clause, where a pharmacist, for example, might refuse to fill a prescription for birth control pills. Under this amendment that is being put in the bill, he or she is not required to do so.

Mr. REID. It is in this bill on which we are going to vote.

Mr. DURBIN. I think it really stretches credibility to think that a pharmacist, in this situation, would be allowed to make that decision and perhaps disadvantage a woman who may not have easy access to another pharmacy.

Mr. REID. The Senator has said it all there. Not everybody lives in metropolitan Chicago, where they can go to two or three different pharmacies within a matter of a few blocks. In some places, there is only one pharmacy.

I also say to my friend it seems unusual—while we are talking about health care—and the Senator did an excellent job in talking about the Patients' Bill of Rights. We passed a patients' non-bill of rights. We passed a bill here that is a bill in name only. If you read the Patients' Bill of Rights, the Senator knows it is not a Patients' Bill of Rights.

It is unusual in this country—and the Senator and I are both lawyers, and I know sometimes the legal profession doesn't have the greatest name, unless you need a lawyer. But in our great society, this country that we admire—and we salute the flag every day—it is interesting that the only two groups of people you can't sue in America are foreign diplomats and HMOs.

Doesn't the Senator think that should be changed?

Mr. DURBIN. I agree completely with the Senator from Nevada. If we did nothing else but change that to say these health insurance companies could be held liable in a court of law before a jury of Americans for their decisions on health care, it would have a dramatic overnight impact on their decisions also. They would think twice about denying a doctor's recommendation for a surgical procedure or a hospitalization. They would think twice about delaying these decisions.

I have noticed, and I am sure the Senator from Nevada has noticed as well, many times, poor families I represent in Illinois will get into a struggle with an insurance company to try to get help, for example, for a child with a serious illness or disease, and the struggle goes on for months; ultimately, the family prevails; but during that period of time, the poor child is suffering and the family is suffering. I think that giving those families across America the right to sue health insurance companies and saying to the health insurance companies that, like every other business in America, you will be held accountable for any wrongdoing, is just simple justice. To do otherwise is to suggest that we are going to create some special, privileged class of companies and that, literally, the health insurance companies are above the law. That is not America.

Mr. REID. My friend also knows that with part of the public relations mechanisms these giant HMOs have, they are going around saying, well, what these people in Washington want to do—the Congressmen—is allow suits against your employer. Now, the Senator knows that is fallacious. Any litigation that would be directed against the wrongful acts of the entity that disallows the treatment has nothing to do with the employer. Does the Senator understand that?

Mr. DURBIN. That is right. The Senator probably saw the survey that there are people against giving families the right to hold health insurance companies accountable in court, and they say, well, if you work for an employer who provides health insurance, those families may turn around and sue the employer, as opposed to the health insurance company. So we looked at that and did a survey; we investigated. We found out that only in a very rare situation has that occurred. Here is an example.

In one circumstance, the employer collected the health insurance premiums from the employee and then didn't pay the health insurance company. So when the family tried to get coverage for medical care, the next thing that occurred was they found out the premiums had not been paid by the employer. That was the only example we could find. But if the employer picks a health insurance company and they make a decision, we could not find a single case where the employer was held liable because of the health insurance company's bad medical decision.

So that, I think, is a red herring, one that really does a disservice to American families who deserve this right.

Mr. REID. The Senator also gave an example of one of his constituents in Illinois whose child has Pompe's disease, who, as we speak, is not receiving treatment for that.

Mr. DURBIN. The child has passed away.

Mr. REID. He wanted to participate in what is called a clinical trial. Is the Senator aware that HMOs almost universally deny the ability of their enrollees to participate in clinical trials?

Mr. DURBIN. Yes. Frankly, during the course of the debate here, the Senator can remember that when they referred to reputable medical leaders in the United States, such as Sloan Kettering—which is a great institution when it comes to cancer treatment and research and is respected around the world—they said, after their survey, that clinical trials really open the door for new treatments and therapies that, frankly, save us money. They found better and more efficient ways to keep people healthy. Meanwhile, the health insurance companies won't pay for them, and we are literally stopped in our tracks from moving forward with this kind of medical research and clinical trials.

In this case, with this little boy, Eric, who passed away from this disease, he was closed out of a clinical trial. Would he have survived with it? I am not sure, but because of the health insurance company, he never got a chance.

Mr. REID. On the floor today, right next to the Senator, is the Senator from Minnesota, who has been a leader in Congress fighting for the rights of those people who are disadvantaged because of mental disease. Well, there was a big fanfare a week or two ago about some big health entity in the Midwest that had decided they were going to let doctors make the decision, rather than checking them out. They looked on their accounting and found they could spend a lot of money trying to direct care. They said what they are going to do now is let doctors make the decision. What they didn't tell us is that this would not apply to people who had mental disease, who had emotional problems. Is the Senator aware of that?

Mr. DURBIN. I am aware of it. I salute the Senator from Minnesota, my

friend, Senator PAUL WELLSTONE, and our colleague, Senator DOMENICI from New Mexico, for their leadership on this issue. It is a classic illustration of another problem facing American families which this Congress has refused to address. The problem is very straightforward.

An internist from Springfield, IL, came to see me and said, ''Senator, I am literally afraid to put in a patient's record that I am giving them medication for depression because the insurance company will then label them as 'victims of chronic depression,' a mental illness, and discriminate against them when it comes to future health insurance coverage.''

That is outrageous. Mental illness is an illness, it is not a moral shortcoming. These people can and deserve to receive the very best care. Unless and until the Senator from Minnesota and others of like mind prevail in the Senate and in the House of Representatives, we will continue to discriminate against the victims of mental illness. That is something this Congress can do something about. We will leave here today or tomorrow, again, with that unfinished item on the agenda.

Mr. REID. I also say to my friend that we were here last year wrapping up the congressional session. Is the Senator aware that since that time we have had 1½ million new people in America added to the uninsured rolls?

Mr. DURBIN. The list grows. The Senator from Nevada knows as well as I do that unless and until we face the reality that every American citizen and every American family deserves the peace of mind of health insurance coverage, you will continue to see employers deciding not to offer health insurance protection, and working, lower income people in America will be without the protection of either Medicaid or health insurance at work. These people get sick as other people do. When they present themselves to hospitals, they receive charity treatment which is paid for by everyone, instead of receiving quality health care from the start. Preventive care can avoid serious illness.

Again, it is an issue that this Congress has refused to address.

Mr. REID. I wanted to say this—the Senator has said it, but I want to underline it and make it more graphic. The Senator who is on the floor is the leader for the Democrats. I am the whip for the Democrats. We spend a lot of time here on the floor. Have we missed something? Has the Senator heard any debate dealing with the uninsured in this country?

Mr. DURBIN. No. We haven't missed it, as the Senator from Nevada knows very well. This is the third rail for a lot of politicians around here because you have to start to talk about things that cost a lot of money. Doing nothing costs a lot more money. People get ill, they have to go to the doctor, and to the hospital. When they need to have serious treatment, or hospitalization, that is very expensive, too.

It strikes me that those of us who sought this office to serve in the Senate or the House of Representatives did not do it just to collect a paycheck and accumulate years toward a pension but to do something to help families across this country. This is the No. 1 concern of families across the country.

If you have a child reaching the age of 23, and all of a sudden it dawns on you: Where is my daughter going to get her health insurance? I can't bring her under my policy. You start thinking. I am sure the Senator from Nevada has. I have. As a parent, every day I call my daughter in Chicago, who is an art student, and an artist, and say, ''Jennifer, are you insured this month?'' ''Yes, dad.'' But I have to ask the question because health insurance is not automatic.

This Congress has done little, if anything, to help families across America who struggle with this every single day—not to mention those with preexisting conditions. If you have a preexisting condition and it is a serious one, and you have to change insurers, good luck. Most people find themselves being discriminated against.

I agree with the Senator from Nevada. We have been here day in and day out, and I have heard literally nothing suggested by the Republican leadership to deal with this.

Mr. REID. At the beginning of our August break, I traveled back to Nevada with my wife. As we flew home, my wife became very sick. We got off the airplane and went immediately to the Sunrise Hospital emergency room. As we walked in that room—she was wheeled into the room—there were lots of people. It was very crowded. We were probably among the 10 percent of the fortunate ones in that room; we had insurance to cover my wife's illness. She was there for 18 days. Ninety percent of the people there had no health insurance of any kind. They were there because they had no place else to go.

Those uninsured people get care. The most expensive kind of care you can get anyplace is in an emergency room. Who pays for that? You and I pay for it. Everybody in America pays for it in the form of higher taxes for indigent care—higher insurance premiums, higher insurance policies, and higher hospital and doctor bills. We all pay for it anyway.

But we don't have the direction from the majority here to have a debate on what we are going to do with the rapidly rising number of people with no health insurance.

Next year, we are going to probably have 2 million more. It is going up every year. We have 45 million people—actually 44 million people now—who have no health insurance. Next year, it will be close to 46 million people. Will the Senator agree with me that it is somewhat embarrassing for this great, rich country, the only superpower in the world, that 44 million people will have no health insurance?

Mr. DURBIN. It is an embarrassment, and it is sad. We have spent more time this morning on the floor of the Senate talking about providing health insurance to the uninsured than we have spent in the entire session this year debating any proposals to deal with the problem.

I would say to my friends on the Republican side of the aisle that if you have an idea, or a concept, or a piece of legislation, come forward with it. Let us put our best proposal on the table. That is what the Senate is supposed to be about. It is supposed to be a contest of ideas, and the hope that when it is all said and done, the American people will prosper because we will come out with something that improves the quality of their lives. This year we have not.

Mr. REID. I want the Senator, also, to react to this. If we passed all of the programs the Republicans have talked about, the majority has talked about, on rare occasions—medical savings accounts, tax breaks for employers, and insurance—does the Senator realize that would cover less than 5 million of the 45 million people?

Mr. DURBIN. The Senator from Nevada is right. We overlook the numbers. The numbers are important. It is good to do something symbolic, but it doesn't solve the problem. We know the problem grows, as the Senator from Nevada has indicated, by 1 or 2 million a year—more people without health insurance coverage, more people who are vulnerable, and a Congress which has a tin ear when it comes to this issue.

We look at the Time magazine polls where it talks about the concern of the American people about health care. It doesn't get through to the leadership in Congress, and we will leave this year having done nothing to make it better.

Mr. REID. The Senator made an outstanding statement relating to guns, juvenile justice, kids getting killed, and people getting killed. So that those people within the sound of our voice understand what we are talking about, we are talking about people who purchase a gun shouldn't be crazies or a criminal. Isn't that what we are saying?

Mr. DURBIN. It is very basic. That is it.

Mr. REID. We are saying that we believe the legislation we passed, with the Democrats voting for it and a few Republicans, basically said that under this law if you are mentally deranged, a criminal, or a felon, you shouldn't be able to buy a gun. It should apply to pawnshops, and it should apply to gun shows. Is that what the legislation we passed said, and we can't even get to conference on it?

Mr. DURBIN. That is what it came down to. Those who would argue that gun control legislation and Capitol Hill want to take your gun away, that is not the case at all. What it is all about here is to say if you want to purchase a gun in America, whether it is from a licensed dealer, a pawnshop, or a gun show, we want to know a little about you. Are you a stable person? Do you

have a criminal record? If the answer is yes to either of those, if you are unstable, or you have a criminal record, then we will deny you the right to own a gun. Who can argue with that? A person who may in a weak moment do something to hurt an innocent person shouldn't be given advantage or given an opportunity by the purchase of a firearm.

We passed that when Vice President Gore came to the floor and cast a deciding vote just a few weeks after Columbine. And that issue died over in the U.S. House of Representatives when the gun lobby came through and said that is an outrageous suggestion—that you would keep guns out of the hands of kids and criminals.

I think American families see this a lot differently. I am hoping that when Members of the Senate who voted with the gun lobby go home, they will hear the other side of the story.

Mr. REID. The Senator also mentioned something we have not done—campaign finance reform. I would like the Senator to reflect a minute on how many people live in the State of Illinois, approximately.

Mr. DURBIN. About 12 million.

Mr. REID. In the State of Nevada, we have at least 2 million. But yet in a Senate race a little over a year ago in the State of Nevada, Harry REID and his opponent spent $20 million; that is, between the State party moneys, our own money, $20 million. That doesn't count independent expenditures by people who come from someplace and are spending money. You don't know who they are, and where they are from—another probably $3 million. So in a small State of Nevada, about $23 million.

Does that sound a little excessive to the Senator from Illinois?

Mr. DURBIN. It is more than a little excessive. It is outrageous. In Illinois, of course, we are faced with similar demands. If you want to buy television time, you have to raise money. If you can't write a personal check for it, you have to go out and beg for it.

Members of the Senate and House of Representatives who spend their time on the telephone begging for money from individuals and special interest groups are not using their time to represent people in Congress. They are, frankly, unfortunately bringing an element into this political process that is not positive. And the voters know this.

Interestingly enough, since 1960, we have seen a dramatic increase in spending on Presidential election campaigns, for example. And we have seen a dramatic decline in voter turnout and the number of people who participate. Voters have decided to vote with their feet and stay home. They are sick of the negative advertising. They are sick of the special interest groups. They are sick of the fundraising involved in this. And they are sick of the process. In a democracy, you can't stand that very long because if democracy is going to work, people have to be involved in it. And that means cleaning up our acts. When Senators FEINGOLD and MCCAIN came forward with campaign finance reform, 55 Senators—45 Democrats, 10 Republicans—said we agree, at least with respect to eliminating soft money. We should go forward with reform.

The Senator from Nevada, though, points to another problem: Even eliminating soft money will not eliminate the expense of campaigns, until we find a way to put legitimate candidates on the television without the extreme costs they run into now.

(Mr. BROWNBACK assumed the chair.)

Mr. REID. Let me say to my friend from Illinois to show how the system has frayed, I was interviewed in Washington by a Reno TV station for a half hour interview. During the interview, they said: How do you feel about the present Senate race? The person I had the good fortune of being able to beat is running again for the Senate; Senator BRYAN is not running for reelection. I said nice things about my opponent. I said I have known him; he is a nice man; I have known his family, and they always supported me. I said nice things about my opponent and I said nice things about the person who is going to be the Democratic nominee.

The Republican Senatorial Campaign Committee issues a press release they poured out to Nevada saying, ''Reid endorses Ensign,'' because I said something nice about my former opponent. They stooped to the level of saying, Reid endorses John Ensign.

I like John Ensign; he is a nice man.

The system has gotten so callous. After this came out, a radio talk show host called me and said, I am a Republican but I want you to know I think what the Republican Senatorial Campaign Committee did is despicable. I think it is, too. We now are suspect because we say something nice about somebody who is running for office. Shouldn't it all be nice? We should be in a contest where we can determine who will be the best for the State of Nevada, the State of Illinois, the State of Minnesota—not the worst.

Mr. DURBIN. I agree with the Senator from Nevada. He came to Congress, as I did, in 1983. There has been a dramatic and palpable change in the atmosphere on Capitol Hill in that period of time. I know he can remember in the early days when there was real civility between the political parties and real dialogue and parties at night. We went to dinner together even if we fought like cats and dogs on an issue on the floor.

That has changed. The well has been poisoned by the obsession with negative politics. I think that is one of the reasons the American people are checking out. They said if that is the best that can be done, you professionals in the business, we would just as soon stay home and watch professional wrestling. Occasionally professional wrestlers are involved in politics. The point they make is they don't approve of what is happening as we sink to lower and lower depths in the Democratic or Republican campaigns.

I agree with the Senator from Nevada. If one can't say something honest and complimentary about someone across the aisle without another person looking for a political advantage, that is a sorry commentary on the state of political affairs in America.

Mr. REID. I very much appreciate the Senator's statement on education. The Senator talked about how important it is to have additional teachers in America to reduce class sizes.

My daughter is a second grade teacher. She said she can tell within the first few days with these little kids who the smart ones are and those who are not so smart. The problem is classes are so big, what can be done about those in between, the average kid? Most people are average. What happens to the average kids? Many times they are lost in our present system.

No matter how teachers struggle, work long hours, and prepare their lessons, they don't have time to do it all because the classes are too big. What we have been able to do as a result of the President hanging in there is get more teachers to reduce class size. That is a positive step.

One thing the Senator didn't mention, and I know we have spoken about it, is the problem we are having in America with high school dropouts. Every day we have about 3,000 children drop out of high school, half a million a year. We have no specific programs to address that. The Senator from New Mexico and I have introduced legislation two successive years. Last year, it passed; it was killed in the House when the Gingrich Congress killed it. It would have set up within the Department of Education a dropout czar who would have been able to work on programs that have been successful in other parts of the country and, in effect, give challenge grants to local school districts—they would still control the programs, of course—giving them guidance and direction in keeping kids in school.

This year on a strictly partisan vote the majority killed the Bingaman-Reid amendment.

Would the Senator acknowledge the fact we have to do something about high school dropouts, we need to do something to keep kids in school?

Mr. DURBIN. The Senator from Nevada knows that is the source of many problems. At juvenile justice facilities across America, whether in the courts or in the correctional system, we will generally find the kids who are there dropped out of high school. Having dropped out, with time on their hands and no skills to get a job, many of them veered toward drugs and crime and a life that is not productive.

We end up paying for that over and over and over and over again. The old saying about an ounce of prevention is true. The Senator from Nevada has been a leader on this, telling the Nation we have to look at high school

dropouts not just as a sad reality but as a challenge to all to do better.

I look at some of the things I have learned recently about the American workforce. When I visited Dell Computer in Austin, TX, last week and talked to their officers and leaders in their company, they said they hired some 6,000 people in the previous 3 months to work for Dell Computer in Austin and Nashville, TN. I find their complaint or request similar to those I have heard in Illinois. We can't find enough skilled workers. That says to me that our educational system has to be better, it can't let any child fall behind and be forgotten. We have to address dropouts. We have to address skilled training. We have to address the kind of educational reform that goes way beyond the question about who wears a uniform to school and who doesn't. But we haven't done it in this Congress.

I am glad the Senator from Nevada has been a leader on this issue of dropout.

Mr. REID. If for no other statistics, we should look at the penitentiaries and jails in America. Eighty-three percent of the people sentenced for crimes in America today are high school dropouts, 83 percent. That says it all as far as I am concerned as to why we need to do something about dropouts.

Mr. WELLSTONE. Will the Senator yield?

Mr. REID. I am happy to yield to the Senator.

Mr. WELLSTONE. Mr. President, Judge Rick Solum from Minnesota told me—and I have to have this confirmed; it is dramatically jarring—there is actually a higher correlation between high school dropout and incarceration than between cigarette smoking and lung cancer. It is quite predictable.

The Senator from Nevada was talking about his daughter's experience as a second grade teacher. In many ways we harp on the complexity of it all to the point it becomes the ultimate copout, but a lot of these kids by kindergarten are way behind. There is a learning gap and they fall further behind and then they drop out of school and wind up all too often in prison.

It does seem to me this is a full agenda that we barely touched.

Sorry to interrupt. I am enjoying listening to the discussion.

Mr. REID. I appreciate hearing from the professor.

I want to talk with my friend from Illinois about Social Security. The Senator mentioned Social Security. One of the things that puts a smile on my face is when I hear the majority talking about having saved Social Security. If that doesn't put a smile on your face, nothing would because the Senator will recall a few years ago here in the Congress we were debating something called the constitutional amendment to balance the budget. As the Senator will recall, I offered the first amendment to say, fine, we want a constitutional amendment to balance the budget; let's exclude the Social Security trust fund from the balancing.

The Senator is aware they defeated that because they wanted to have their calculations applying the vast surplus that we have had the last several years with our Social Security fund, they wanted to apply that to balance the budget.

Is the Senator aware of that?

Mr. DURBIN. I remember that debate. Frankly, I think that was really the critical debate, when it came to the future of that amendment and when the Republican majority rejected our attempts to protect the Social Security trust fund in the balanced budget amendment debate. That was the end of the debate. As I recall, that amendment lost by one or two votes at the most. I voted against it. I think the Senator from Nevada did as well. If it was not going to protect Social Security, then we should not go forward with it.

As I reflect on it, it is a little over 2½ years ago that the battle cry on Capitol Hill was: The deficits, the balanced budget amendment, let the courts step in and have Congress stop spending; that was our only hope. Now we are in the era of surpluses. We have changed so dramatically without that constitutional amendment.

The Senator from Nevada recalls accurately the Social Security trust fund was a viable issue at that point.

Mr. REID. The Senator was also part of this Congress when, in 1993, without a single Republican vote, we passed the budget to address the deficit. It passed. We had to have the Vice President come down and break the tie. The Senator recalls at that time clearly, we had deficits of about $300 billion a year. Since then, we now have surpluses. We have done very well with low inflation, low unemployment—40-year employment highs in that regard. We have created about 20 million new jobs. We have about 350,000 fewer Federal employees than we had then. We have a Federal Government about the same size as when President Kennedy was President.

We could go on with other things that happened as a result of the hard vote we cast, without a single vote from the Republicans. Does the Senator remember that?

Mr. DURBIN. I was in the House of Representatives and cast a vote in favor of the President's program. I can tell you, literally, there were Democratic Members of the House of Representatives who lost in the next election, in 1994, because of that vote they cast. It was a really courageous effort on their part. It was exploited by those who said they were going to somehow destroy the economy and raise taxes across America. Yet look at what has happened. From 1993 to the current day, we have seen the Dow Jones index go from 3,500 to over 11,000, and all the things the Senator from Nevada has alluded to.

So that decision by President Clinton, supported exclusively by Democrats on Capitol Hill, had a very positive impact on America and its future. We have gone through one of the longest and strongest economic growth periods in our history. I think it relates back directly to that 1993 vote.

I can recall a number of my colleagues—Congresswoman Mezvinsky, a new Congresswoman from Pennsylvania who only served one term because she had the courage to cast that vote. If she had not, America might have gone on a different course than we have seen recently.

Mr. REID. I apologize to my friend from Minnesota. I want to end by asking one final group of questions to the Senator from Illinois.

We are here in kind of a celebratory fashion. We are going to complete this bill tonight, unless certain Members of the Senate keep our staff in all night long. Otherwise, we will finish it very quickly.

Does the Senator understand getting to this point has been really difficult and we, the minority, have had to hang very tough?

Remember, in an effort to get where we are, there have been a number of ways the majority has attempted to get to this point. You remember the Wall Street Journal article where they talked about the two sets of books the Republicans were keeping? They would, for certain things, go with the Office of Management and Budget and for certain things go with the Congressional Budget Office. Does the Senator remember that?

Mr. DURBIN. Yes.

Mr. REID. You can't keep two sets of books. The Senator recalls that didn't work. Does the Senator remember that?

Mr. DURBIN. Yes, I do.

Mr. REID. Does the Senator also remember they came up with this ingenious idea that they would add a month to the calendar? Does the Senator remember that?

Mr. DURBIN. That is right, 13 months.

Mr. REID. I remember the Senator from Illinois saying that is a great idea because we can just keep adding months to the year and we will never have a Y2K problem.

Mr. DURBIN. That is right.

Mr. REID. That was something also where we said: That is not fair, we are not going to do it. That didn't work.

Does the Senator also recall when they decided, with the earned-income tax credit, the program that President Reagan said was the best welfare program in the history of the country, where you would give the working poor tax incentives to keep working—does the Senator recall they wanted to withhold parts of those moneys to the poor in an effort to balance the budget?

Mr. DURBIN. I remember there was a certain Governor from Texas who admonished the Republican Members in the House and Senate, the House in particular, for their insensitivity. He said you should not balance the budget

on the backs of working people, and that was about the time they abandoned that particular gimmick.

Mr. REID. Then there was the across-the-board cut. Does the Senator understand when they were doing that, and it was decided to do all these things, they did it without the offsets that would take an across-the-board cut of 7 or 8 percent, but now they are declaring a victory because they got an across-the-board cut—except the President can decide what is going to be cut—of .37 percent? Does the Senator from Illinois understand that crying victory over having a .3-percent across-the-board cut where the President can decide what would be cut is not something they should be crowing about victoriously?

Mr. DURBIN. It is a face-saving gesture on their part. Once we got into the budget negotiations and the Republican leadership was faced with actually saying, no, we won't add additional teachers, we will not have additional cops on the beat to address the crime problem across America, they could not do it. They ended up saying we actually won because we got this so-called across-the-board cut of .37 percent.

I might say to the Senator from Nevada, as he well knows, this is entirely within the discretion of the President, so it is not across the board. He can decide which areas of Federal spending to reduce to reach this target.

Mr. REID. I have enjoyed very much visiting with my friend from Illinois. As the session is drawing to a close, I want to express appreciation, on behalf of all the Democratic Senators, for the Senator being our floor leader. He has done an outstanding job. He has been here. He has been able to express himself very well, as we all know he can. I want to personally tell him how much I appreciate it. And on behalf of the Democratic Senators, for all of them, I tell the Senator how much we appreciate every word he has spoken, everything he has done, and I will make sure the majority keeps their ear to what the Senator from Illinois is saying. He has done extremely well in expressing what I believe are the views of the majority of the American people.

Mr. DURBIN. I thank the Senator. It could not have been done without Senator DASCHLE and Senator REID and the leadership of my colleagues who have joined me. I also say it could not have been done without having such good, strong issues the American people support, that we can come talk about on the floor each day, pointing out that in this session of Congress they have not been addressed.

I thank the Senator for his kind words.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from Minnesota is recognized.

THE LACK OF SENATE ACCOMPLISHMENTS

Mr. WELLSTONE. Mr. President, I say to my colleagues, there are other colleagues on the floor. I have waited for some time. I think it has been an important discussion, but I am going to try, since there are other Senators on the floor, to abbreviate my remarks. I actually could speak for 3 or 4 or 5 hours right now. I will not. We will see when we are going to finish up today.

I would like to build on a little bit of the discussion I just heard, and then I would like to go to the issue at hand, which is the extension of the Northeast Dairy Compact, the way this was done, the impact on my State of Minnesota, and why we have been fighting this out.

First of all, I also thank Senator DURBIN for his very strong voice on the floor of the Senate. I say to Senator REID from Nevada, sometimes we come out here and compliment each other to the point it becomes so flowery, people are not sure whether it is sincere or not. I believe it is sincere. Senator REID is a good example of somebody in politics who, if he suffers from anything, it is modesty. He rarely takes credit. He really has done some tremendous work in the mental health field. He has probably done more than anybody in the Senate to get us to focus on the problem of depression. He never takes the credit. He should have included himself in this discussion.

I am talking about Senator REID.

Mr. President, I am not sure how exactly to view this overall omnibus conference report we now have before us. I am a little worried about sounding so negative that it will seem I only come to the floor to be negative. I do not. I think some of what my colleagues have talked about—given the framework we were working within and given where we started, I think there are some things people can feel good about.

I am pleased to give the administration and Democrats some credit for at least being able to get some resources for some areas of priorities, such as more teachers and schools and moving toward smaller class size. It was a fix. I know for the State of Minnesota, and I am sure for many States, the Balanced Budget Act of 1997 and the cuts in Medicare reimbursement had, no pun intended, catastrophic consequences, especially for our rural hospitals, some of the nursing homes, home-based health care, and teaching hospitals. At least we were able to make a difference for a couple of years, though, again, it is temporary.

I feel pretty good about some investment of resources that are going to be helpful to people in Minnesota. If I had to pick out one priority, it would be $14 million for the Fon du Lac School, a pretty important commitment of resources. I count as one of the best days as a Senator the day I visited Fon du Lac School. It is a pretty horrendous facility, and for years I have been trying to get some money to build a new school for kids in the Indian community.

It is interesting, just this past week I was there, and at the end of the discussion I said to the students: I have to leave in 30 seconds, and I am sorry we are finishing. Can any of you talk about one thing you care more about than anything else?

This one student who is age 15 said: The thing I think the most about is I would like for the children—I viewed him as a child at age 15—I would like the children to live a better life than we have been able to live, and I would like to live a life that will help kids do better.

I said to this student: That was the most beautiful, powerful thing I heard said in any school I have visited, and I have been in a school every 2 weeks for the last 9, 9½ years I have been in the Senate.

I tend to come down more on the side of the editorial debate of the Washington Post. I do not think this Congress has much to be proud of at all. Part of what has happened is we have been engaged in a lot of mutual self-deception. I came out to the floor quite a while ago on an amendment dealing with veterans' health care. I said it was a deliberate effort to bust the budget caps.

The ways in which we have been talking about ''not raiding the Social Security surplus'' has been ridiculous. President Clinton started to do it. Tom DeLay has done it. We have put ourselves in a straitjacket. We know that is not what it is about, but it is great political sloganeering.

For Republicans who do not believe, when it comes to the most critical issues of people's lives, there is nothing the Government can or should do, then I think you are consistent and I respect your point of view, for those Republicans who take that position, and this is not a problem. But for Democrats and other Republicans who believe there are certain decisive areas of life in America, such as investment in children and education and opportunities for children, decent health care coverage, environmental protection, making sure we have some support for the most vulnerable citizens in the Congress, whether it be congregate dining or Meals on Wheels or affordable child care or, for God's sake, making sure children are not hungry in America, I do not think we have much to be proud of because we have done precious little.

As a matter of fact, I say to my colleagues on our side of the aisle, if you were to take the ''non-Social Security surplus,'' 75 percent of it because of cuts in the budget caps of 2 years ago in a lot of these areas we say we care the most about, in real dollar terms we are still not spending as much as we spent several years ago.

I do not think we have all that much to be proud of and we have to do a lot better. I said at the beginning I would talk about some positive things. I do not want to come out here appearing to

be shrill. I do think, unfortunately, this is a pretty rigorous analysis.

We did not pass campaign finance reform. That is the core issue. That is the core issue, the core problem. We did not pass patient protection legislation. We have done precious little to deal with the reality of 44 million people without any health insurance coverage and many other people having health insurance coverage but being underinsured.

Under title I—I saw this listed as one of our victories—we are funding about one-third of the kids who are eligible to be helped. These are some of our most vulnerable children in America, to the point where in Minnesota, in St. Paul, after you reach the threshold of a school that has 65 percent low-income population, there is no money for any other schools. It is about a $16 billion shortfall, and we have increased spending by $75 million.

We have done hardly anything for affordable child care. We did not include prescription drug coverage as a part of Medicare. On a whole host of amendments I have worked on as a Senator, almost all of them were eliminated in conference committee; whether it be at least some support for kids who witness violence in their homes or trying to deal with the problem of exploitation of women in international sex trafficking or juvenile justice mental health services or having an honest policy evaluation of what the welfare ''reform'' is doing around the country or increasing some funding—I mean real funding, a real increase of funding—for Meals on Wheels or congregate dining or social services support.

If you look at it from the point of view of how at least I think we can make life better for others—I am not going to speak for others—I think this has been a do-nothing Congress, I really do.

I will make one other point before I talk about this dairy compact, and it is this: I am hearing so much discussion about testing. George W. is talking about testing third graders, and if they do not pass those tests, they do not go on to fourth grade. It is high-stakes testing, and by the way, I will have an amendment next year to the Elementary and Secondary Education Act which makes sure we do not start testing at that young of an age.

Here is the point. Jonathan Kozol wrote a book ''Savage Inequalities,'' in which he points out—and all of us know this about our States—some school districts have the best technology, a beautiful building, recruit the best teachers, have the best lab facilities, the best textbooks, and other schools have none of that. We do not do anything to change that.

I cite a second bit of evidence. We have all these reports and studies, irrefutable evidence that if you do not get it right for children by kindergarten, many of them come to school way behind and they fall further behind and then they drop out. This is critically important, and we invest hardly anything in affordable child care.

Third, we do not do anything about the concerns and circumstances of children's lives in New York City or Minneapolis-St. Paul or rural Aitkin County or rural anywhere or inner-suburban anywhere in the country before they go to school and when they go home, whether it be the violence in the homes, or the children who see the violence or the violence in the communities or children who come to school hungry or children who come to school with an abscess because they do not have dental care. It is not very easy for children to do well in school under these conditions. We do not do hardly anything to change any of those conditions for children's lives in America so that we can truly live up to the idea of equal opportunity for every child.

But we are going to flunk them. We are going to fail them. We are going to give them standardized tests and fail them. We already know which kids are going to do well and which kids are not. I would argue it is cowardly. I would argue it is a great political slogan, but it is cowardly. There is a difference between testing and standardized—we should have accountability, but there are different ways of testing.

If you cannot prove you are giving every child the same opportunity to achieve and do well in the test, what are you doing giving these kids these standardized tests and flunking them and not letting them go on to the next grade?

We have done so little when it comes to good health care for every citizen, equal opportunity for every child, jobs at decent wages, and getting money out of politics and bringing people back into politics and speaking to the economic pain that exists among citizens in our country.

I start with agriculture. I am from an agricultural State. We have a failed farm policy that is driving family farmers off the land. We have not done a thing about the price crisis. We have had another bailout. We have some money for people so they can live to farm another day, but we have not changed a thing when it comes to farmers being able to get a decent price. We have not changed a thing when it comes to all the concentration of power in agriculture and in the media and in banking and in energy and in health insurance companies. We do not want to take on these big conglomerates. We do not want to talk about antitrust action.

So I argue that at the macrolevel this has been a do-nothing Congress. I think people in the country should hold us accountable. I say to the majority party, I think they should especially hold the majority party accountable because I think many of us have wanted to do much more. I think that is what the next election probably will be all about.

If people believe education and health care and opportunities for their children and jobs at decent wages are important issues to them—that is their center; that is the center of their lives—and they believe the Republican majority has not been willing to move on this agenda, and they feel as if there is a big disconnect between what is done here and the lives of people who we are suppose to represent, then I say, let the next election be a referendum. But I certainly wish we had done more.

A FAIR DEAL FOR MINNESOTA DAIRY FARMERS

Mr. WELLSTONE. Mr. President, final point. Some of us have been fighting for several days. We are out of leverage now. It is toward the end. But to be real clear about it, there was a time, when the Northeast Dairy Compact was brought to the floor, it was going to be part of the 1996 ''Freedom to Farm.'' I think it is the ''Freedom to Fail'' bill. It was defeated.

But this compact, which was not in the farm bill that passed in either House, was then put into the conference committee. There is a reform issue on which we ought to work. There is one in which I am really interested. I do not think the conference committee, which has become the ''third House'' of the Congress, should be able to put an amendment, a provision, into conference that was not passed in either House; or, for that matter, take out a provision that was passed in both Houses.

So this got snuck in. It was part of a deal. It is how we got the ''Freedom to Fail'' bill, which has visited unbelievable economic pain and misery.

The argument that was made for the Freedom to Farm bill was it should all be in the market; there ought not be any safety net; so a family farmer should not have any real leverage for bargaining for a decent price. You name it. It was a great bill for grain companies, a great bill for the packers, but not a very good bill for family farmers. On the other hand, when it came to dairy, it was a different set of rules. And we were going to have these dairy compacts with administered prices.

Our dairy producers were just asking for a fair shot—dairy producers in States such as Wisconsin and Minnesota.

Let me explain. In my State, we have 8,700 dairy farms. We rank fifth in the Nation in milk production. These farms generate about $1.2 billion for our farmers each year. The average size of the Minnesota dairy farm is about 60 cows—60 cows per farm. We are talking about family-size farm operations. We are going to lose many more because this compact, for all sorts of reasons so negative, impacts on our dairy farmers.

Mr. President, I am disgraced by the recent action by the majority party to include such harmful dairy provisions to the State of Minnesota as part of the final spending bill this year. The tactics used to include dairy as part of

this bill is yet another illustration of the flagrant abuse of power. I and my fellow colleagues have fought hard and have been successful in defeating previous attempts to extend the Northeast Dairy Compact. We fought openly and fairly on the Senate floor, and now our successful efforts may be unjustly curtailed by clandestine negotiations by those who overtly misuse their power. This type of backroom negotiating style is clearly not the first time that harmful dairy provisions have been attached to the bill. We have been fighting such tactics since the authorization of the compact. In fact, the authorization of the Northeast Dairy Compact was inserted into the 1996 farm bill as part of a backroom deal. In 1996, I offered an amendment which successfully struck the compact out of the Senate bill and the compact was not in the farm bill initially passed by either House of Congress. Instead, it was later inserted during the bill's conference in the passage of the 1996 Freedom to Farm bill. Yet ironically, the 1996 Freedom to Farm bill was passed with the intent to remove government from the marketplace. Although, I adamantly opposed the bill, many viewed the 1996 farm bill as a way to decouple payments to family farmers. The thought at that time was that farmers should produce for the market and that Congress should eliminate a safety net for our farmers.

For some reason, we seemed to play by a different set of rules when it comes to dairy. We told our corn and soybean farmers that to succeed in the 21st century they should pay close attention to market signals, but at the same time we considered implementing compacts that drown out those signals for dairy farmers. And yet even among dairy producers, we scrutinized and only allowed one region of the country to provide a safety net for their farmers, while hurting farmers in other parts of the country.

Minnesota is not asking for special favors. All Minnesota dairy producers are asking for is a fair shot. I have spoken here before about the importance of family dairy farming to my State's economy. Minnesota's dairy industry is one of the cornerstones of the State's economy. We have 8,700 dairy farms in Minnesota, ranking fifth in the Nation's milk production. The milk production from Minnesota farms generates more than $1.2 billion for our farmers each year. Yet, the average herd size of a Minnesota dairy farm is about 60 cows. Sixty cows per farm. So we are really talking about family operations in my State. Family businesses with a total of $1.2 billion in sales a year, contributing to their small-town economies, trying to live a productive life on the land.

Let me read from a few farmers in my State of Minnesota who are hurting:

Eunice Biel, a Harmony, MN dairy farmer:

We currently milk 100 cows and just built a new milking parlor. We will be milking 120 cows next year. Our 22-year-old son would like to farm with us. But for us to do so he must buy out my husband's mother (his grandmother) because my husband and I who are 47-years-old, still are unable to take over the family farm. Our son must acquire a beginning farmer loan. But should he shoulder that debt if there is no stable milk price? We continuously are told by bankers, veterinarians and ag suppliers that we need to get bigger or we will not survive. At 120 cows, we can manage our herd and farm effectively and efficiently. We should not be forced to expand in order to survive.

Lynn Jostock, a Waseca, MN dairy farmer:

I have four children. My 11-year-old son Al helps my husband and I by doing chores. But it often is too much to expect of someone so young. For instance, one day our son came home from school. His father asked Al for some help driving the tractor to another farm about 3 miles away. Al was going to come home right afterward. But he wound up helping his father cut hay. Then he helped rake hay. Then he helped bale hay. My son did not return home until 9:30 p.m. He had not yet eaten supper. He had not yet done his schoolwork. We don't have other help. The price we get at the farm gate isn't enough to allow us to hire any farmhands or to help our community by providing more jobs. And it isn't fair to ask your 11-year-old son to work so hard to keep the family going. When will he burn out? How will he ever want to farm?

Les Kyllo, a Goodhue dairy farmer:

My grandfather milked 15 cows. My dad milked 26. I have milked as many as 100 cows, and I'm going broke. They made a living out here and I didn't. Since my son went away to college, my farmhands are my 73-year-old father and my 77-year-old father-in-law who has an artificial hip.

I have a barn that needs repairs and updates that I can't afford. I have two children that don't want to farm. At one point, in a 30-mile radius, there were 15 Kyllos farming. Now there are three. And now I'm selling my cows. My family has farmed since my ancestors emigrated to the United States.

When I leave farming, my community will lose the $15,000 I spend locally each year for cattle feed; the $3,000 I spend at the veterinarian; the $3,600 I spend for electricity; or the money I spend for fuel, cattle insemination and other farm needs.

The testimony I just read were from MN farmers who felt comfortable to share their names. I have additional testimony, but the farmers who shared their stories, had requested that I not use their name. This is testimony from a farmer in East Ottertail, MN:

Despite the ongoing difficulties, it is amazing the steadfast willingness of this family to try and hold things together. The farm is farmed by two families, a father and his son.

Since dairy prices fell in the second quarter of 1999, there was not enough income for this family to make the loan payments and to provide for family living and cover farm operating expenses. The Farm Credit Services would not release a loan for farm operating assistance, and so the family had to borrow money from the lender from which they are already leasing their cows. They have not been able to feed the cows properly because of the lack of funds. Because they cannot adequately feed their dairy herd, their milk production has fallen and is considerably lower than the herd's average production. In addition, because there was no money for family living, the parents had to cash out what little retirement savings they had so that the two families had something to live on day to day.

The son and wife had to let their trailerhouse go since they could not make the payments and moved into a home owned by a relative for the winter. Most of their machinery is being liquidated. However, there are a few pieces of machinery that go toward paying off their existing debt. The family will be selling off 120 acres of land in their struggle to reduce the debt. Recently, the father has been having serious back troubles and has been unable to help his son with the work. This is tremendous stress both physically and mentally on the son. The son has decided he is going to have to sell part of the herd in order to reduce the herd to a number that is more manageable for one person. In addition, the money acquired from selling off part of the herd will be applied toward their debt. The son hopes that these three items combined: selling machinery, land and part of the herd can pay off enough of their debt that he might be able to do some restructuring on the remainder of the farm and to reduce loan payments to a manageable amount where there is something left to live on after payments are made.

These are just a few of the stories. I read these stories, because it is important that when we consider national dairy policy here in the Senate, we need to keep in mind that we are determining the future of an industry and a way of life that are basic not only to the agricultural economy, but to the very soul of America's rural heartland. I am concerned that the dairy provisions attached to this omnibus bill will hurt Minnesota dairy farmers and frankly dairy farmers throughout the country. I have been on the floor before discussing how the dairy compacts and any reversal to the implementation of an equitable milk marketing system will harm Minnesota dairy farmers. However, the dairy language included in this bill goes even further and could potentially threaten all family dairy farmers throughout the nation.

What I am talking about and concerned about as are many Americans is the trend towards factory-farm and concentration in dairy. It is unnecessary and unwise. There is no reason we cannot have a family-farm based dairy system. A dairy system which promotes economic vitality in rural communities and one which is more environmentally sustainable than a factory-farm system. Family dairy farms are efficient and innovative. Family dairy farms can provide a plentiful supply of wholesome milk at a fair price. However, there is a provision stuck in this bill which no one has really discussed, and would harm family dairy farmers everywhere. The provision would establish a pilot program allowing for the expansion of forward contracting of milk.

Forward contracting reduces competition in the marketplace and results in lower prices to dairy producers. Forward contracting is not specific to the dairy industry. In fact, one can note the effect of forward contracting by the recent events occurring in the hog industry. Recently, the hog industry has witnessed a significant increase in the number of producers who decided to forward contract. Hog producers will contract with packers to guarantee

them a minimum price for their pigs. Contracting is not inherently bad and there are some good contracts. However, what is occurring is that these deals are made often in private and do not reflect the spot market. There is a strong argument that contracting is partly responsible for the depressed hog prices and the rapid increase in the consolidation of the hog industry. What is happening in the hog industry is also happening in dairy.

This provision would expand forward contracting of milk by allowing processors to pay producers less than the federal milk price for milk. Under current law, forward contracting is allowed, however, only if the buyer is willing to offer at least as much as the federal minimum price. In other words, this provision will remove an important safety net for our dairy producers. Expanded forward contracting can also reduce the price for producers who do not forward contract by reducing the competition for milk, thereby damaging the entire dairy market structure. This provision could also discriminate against our family farmers because the most likely scenario is that processors would offer forward contracts to the largest producers. Again, we would see the domino effect of losing family farmers. By giving a better deal to larger producers, our family farmers cannot compete and we would see more losses of family farmers.

Those who support forward contracting contend that forward contracting is a risk management tool; however, this argument doesn't hold water. In fact, National Farmers' Union and other groups contend that the proposal for forward contracting will actually make it more difficult to manage risk by forcing producers to guess whether the volatile dairy market will go up or down. It is logically deduced that in the absence of an adequate support price, the market will continue to be highly volatile. What can happen is that anytime producers price guess wrong, they lose money under this proposal. The truth is that our family dairy farmers cannot compete in such a volatile market place. We must set policy that keeps family dairy farms in business while ensuring that consumer and taxpayer costs are kept at a reasonable level. What we need to achieve here is a fair, sustainable and stable price system for all dairy farmers.

That has clearly not happened, and that's partly why Minnesota continues to lose dairy farmers at an appalling rate. Minnesota is losing dairy farms at the rate of three per day due to base price that are already low and unstable. Let me read to you the past couple of BFP prices for family dairy farmers. The BFP is the basic formula price. It is the monthly base price per hundredweight paid to dairy farmers for their milk.

In August the BFP was $15.79 per hundredweight. That was quite high and it is a good price. Farmers could be pleased with that price. In September the BFP rose a little higher to $16.26 per hundredweight. I haven't seen the analysis of why the BFP price rose so high. Back in May of 1999, the BFP was only $11.26. Some would argue that it was due to the drought in the East that prices rose so high for August and September. The milk price was high because cows in the eastern region were strained and produces less milk. Therefore, milk was in demand and thus the price rose. If this is the case, our farmers are getting a decent price for their milk only at the expense of farmers in other parts of the country who are suffering.

In October, the BFP took a stumbling tumble from the $16.26-September price to $11.49 per hundredweight. This is a dramatic drop price. The BFP for this month will not be released until December 3rd, but it is predicted to be even lower. Again, as I have stated before with such volatility in the market, it is no question why our farmers are having a difficult time to survive. And if dairy farmers are not struggling enough with the volatility of the market, Congress is now assisting and in some cases is making the price of my dairy farmers worse—and that is what has happened with the Northeast Dairy Compact. The Northeast Dairy Compact gives six states the right to join together to raise prices to help producers in the region. While it may help the Northeast, it is cutting into our markets. It is true that the compact provided a safety net this spring to certain farmers when dairy prices plunged. When the price of raw milk dropped by 37 percent, one Massachusetts farmer got a $2,100 check from the compact. Overall, that farmer said, aid from the compact totaled seven percent of his gross income during the first 12 months of its operation. Conversely, Midwest dairy farmers—who also confronted the sharp price decline—got no such price.

The Northeast Dairy Compact fixes fluid milk prices at artificially high prices for the benefit of dairy producers in just that region. This artificial price boost of a compact may benefit the producers covered by the compact, but it hurts all other dairy farmers. It is also no secret that the extension of the Northeast Compact encourages other regions such as the Southeast to form their own compact. This would be detrimental to the Upper Midwest. A recent report by University of Missouri dairy economist Ken Baily found that Minnesota's farm-level milk price would drop at least 21 cents per hundredweight if a Southeast dairy compact were allowed to be implemented alongside expanded Northeast dairy compact. This would translate into a $27.2 million annual reduction of Minnesota farm milk sales. The compacts in Baily's study would cover only 27 percent of U.S. milk production, yet would have a sizable negative impact. If more regions adopted compacts Minnesota prices would drop even further.

Many, such as I heard Senator LEAHY inquire, why doesn't the Upper Midwest form their own compact. Minnesota and Wisconsin farmers would not benefit from organizing their own compact. A compact's price boost applies for only fluid milk. The percentage of Upper Midwest milk going into fluid products is so low that any compact would do little for Minnesota's farmers' income. The negative impact of compacts would far outweigh any minimal boost to fluid prices here in Minnesota. Congress should not accept a policy that so clearly provides benefits to the producers of one region at the expense of consumers and producers elsewhere. Instead, there should be an effort to create a more uniform and rational national dairy policy—a policy without the regional fragmentation caused by compacts.

To put it simply, compacts erect trade barriers in our country. By fixing milk prices at artificially high levels, Compact proponents understand that their markets become vulnerable to market forces at work elsewhere in the nation. So in order to prevent milk from other regions entering those Compact markets at lower prices, a tariff-like mechanism is established to ensure that all milk entering the Compact area is priced at the level fixed by the price-fixing commission in the region. It is bad enough that the extension of the Northeast Dairy Compact is attached to this bill, but it is unacceptable for Congress to attempt to meddle with USDA's final plan by resurrecting an alternative similar to Option 1–A.

As you know, the referendum voted on by producers nationwide overwhelming passed this past summer. Given the prominence of Minnesota's dairy industry, it should be no surprise that I have pushed for reform of the existing milk pricing system. The Secretary's reforms are a step forward in a long overhaul of dairy policy toward a more unified and simplified pricing system that benefits all producers. We need to reduce and eliminate the regional inequities that exist within the federal order system. The current pricing system regulates the price of fluid milk based on the distance from Eau Claire, Wisconsin. This policy causes market distortions that disadvantage producers in the Upper Midwest. These reforms must move forward quickly, and be implemented as soon as possible by the Secretary.

These dairy provisions are putting at great risk dairy farmers not just in my State, but across the country. It is imperative that we establish a national and equitable dairy system for all. For this reason, and among numerous other inequities included as part of this mammoth omnibus package, I cannot vote for the bill.

Mr. President, milk prices per 100 weight were about $16. Now they are down to $11. They are going down further. We do not have any kind of national dairy policy that makes any sense.

What has happened, which affects Eunice Biel and Lynn Jostock, and Les Kyllo, and all sorts of other farmers who will remain anonymous but whose statements are included in the RECORD—they do not want their names used—it is hard when you are going through pain, and you are working 19 hours a day, and you are going to lose your farm.

What has happened, to add salt to the wound, insult to injury, is that in the dark of night in a conference committee a few people—it did not pass the Senate; they did not get it through—they put through a provision that extended this Northeast Dairy Compact, which would have run out, and they blocked the Secretary of Agriculture from being able to move forward with milk marketing order reform.

They have another provision which would allow for a pilot project for the expansion of the forward contracting of milk. That is what we have had in the hog industry. Contracting is not inherently bad, but what happens is these arrangements are made in private; they do not reflect the spot market. Basically, what happens is, you are going to have this consolidated industry, as in the hog industry. And what will happen is that the processors will be able to pay the producers less than the Federal milk price for milk. In other words, under current law, forward contracting is allowed; however, only if the buyer is willing to offer at least as much as the Federal minimum price. But this little-known provision—never debated on the floor of the Senate—would now remove that important safety net for our dairy producers. Processors are going to offer better forward contracts to the larger producers, to the largest producers, and our dairy farms are going to go under.

In Minnesota, we continue to lose dairy farms at an appalling rate. Minnesota is losing dairy farms at the rate of three per day due to a base price that is already so low and so unstable.

I say to each and every one of my colleagues that it is a triple blow to agriculture, to dairy farmers, in Minnesota. First of all, again, this horrendous piece of legislation, which was passed in 1996, that I think the Senate should be ashamed of, took the bargaining power away from farmers. They cannot even get a price to survive.

We have a depression in agriculture. We are going to lose a whole generation of producers. The way this happened, with the Northeast Dairy Compact, was to put that into the conference report. It never passed on the floor. It was part of the whole deal that made this bill possible.

Then this dairy compact was going to expire in 2 years. We had a vote on it. It did not get through the Senate. It came back into the conference committee, in this horrendous process—which will be my last point about this process—no vote, no public discussion, all sorts of provisions, one of which I just mentioned, put into this amendment, and now this omnibus conference report is brought to us, and we cannot amend it. We can't amend it. I can't come to the floor of the Senate and deal with this forward contracting of milk without the safety net. I can't come to the floor of the Senate with an amendment to knock out this amendment. You get a few people who decide in a closed room, outside of any scrutiny, and they put this back in.

I am outraged. But we fought this every way we know how. Today is the last day. There will be a vote, and we can't stop that vote—whether it be at 1 a.m. or in midafternoon. To me, that is no longer an issue. We have done everything we can.

But I say to my colleagues that I think what has been done to the dairy farmers in the Midwest is an injustice. I think it is an injustice in a piece of legislation that, in and of itself, doesn't represent all that much for America, even though I know everybody will be talking about how great this is. I am certainly going to vote against it.

I also say to my colleagues that I hope we will, next year, think about how we can reform the way we operate. On this, I hold the majority leader accountable—to the extent that I can hold him accountable. And I will figure out every way I can next year, when we come back, to keep raising this issue.

We didn't get a lot of these appropriations bills done. We had a lot of legislation that came to the floor. We weren't allowed to do amendments. Frankly, I don't know how anybody in here thinks we can be good legislators when we don't have the bills coming to the floor. We need to get them out here in the open and have debates that are introduced, have up-or-down votes, and then we move forward. And if we have to work from 9 in the morning until 9 at night, so be it. But instead, we don't do our work.

Those of us who believe the Senate floor is the place to fight for what we believe in and have the debates are not able to do so. Instead, we have this process where six, seven, eight people decide what is in and what is out, and we have this huge monstrosity called the ''omnibus'' bill that is presented to us, which none of us has read—or maybe two people have. But none of us has read this from cover to cover. I doubt whether there are more than two Senators who know everything that is in here.

I would like to raise the question, How can we be good legislators with this kind of process? We are not being good legislators. I am speaking for myself. I am not able to be an effective legislator representing Minnesota if we are going to continue making decisions in conference committees and rolling in six, seven, eight major pieces of legislation with no opportunity for me as a Senator from Minnesota to bring amendments to the floor. That was done on the dairy compact, and that is what has been done on a whole lot of other decisions. It is no way to legislate.

I contend that that is no way to legislate. I contend that this omnibus bill makes a mockery of the legislative process. I contend on the floor of the Senate today, not only because of what happened to dairy farmers in Minnesota but because of the whole way in which this decisionmaking process has worked, that this is unconscionable. I contend that this kind of decisionmaking process is going to lead to more and more disillusionment on the part of people in the country.

People hate the mix of money and politics. They don't like poison politics. They don't like all the hack-attack politics my colleagues, Senator REID and Senator DURBIN, were talking about earlier because they believe that is what is wrong. They don't like what, apparently, some of us relish. They don't like backroom deals, decisionmaking that is not open, accountable, and that people can understand and comprehend.

Now, my final point. I am not so sure that some of the major decisionmakers, given the sort of deck of cards they had to work with—I don't know that I want to point the finger at any one person. I don't think that is probably fair. I am making an argument about process, not about a particular Senator. Some of them who were involved in this probably did everything they could do from their point of view. They are very skillful. But I will tell you one thing. Minnesota dairy farmers came out on the short end of the stick.

I regret the fact that this has been done and stuck into a conference report and was not done in an honest way, with open debate on the floor of the Senate, where we could have amendments. I also regret a legislative process where we didn't get to the bills on time, didn't have the debate on the floor, didn't have amendments we could introduce, didn't have the up-or-down votes, and it all got done by a few people, really, basically, with very little opportunity for public scrutiny, for democratic accountability.

I am going to vote ''no'' on this bill. I think I would vote ''no'' just on the issue of the way in which these decisions have been made because, again, I think we have made a mockery of what should be the legislative process.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maine is recognized.

UNANIMOUS CONSENT AGREEMENT

Ms. COLLINS. Mr. President, I ask unanimous consent that the Senator from Iowa, Mr. GRASSLEY, be recognized for approximately 10 minutes, if that is sufficient for the Senator.

Mr. GRASSLEY. I think it is.

Ms. COLLINS. I also ask unanimous consent that he be followed by the Senator from New York, Mr. SCHUMER, for

not to exceed 5 minutes, and that I be recognized to transact legislative business.

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

The Senator from Iowa is recognized.

CHINA'S ACCESSION TO THE WORLD TRADE ORGANIZATION

Mr. GRASSLEY. Mr. President, in my capacity as chairman of the International Trade Subcommittee and getting ready for the Seattle Round, as well as considering China's accession to the World Trade Organization, I want to speak on Congress' power and our responsibility on the whole issue of international trade.

It is very clear in the Constitution that the Congress of the United States has the power, as one of the specifically delineated powers of Congress in the first article, to regulate interstate and foreign commerce. So the United States has just concluded a bilateral market access agreement with China. It should pave the way for China's accession to the World Trade Organization.

From what I have heard about this agreement—and, of course, we only have summaries at this point—it is an exceptionally good one for the United States and especially for American agriculture. I said, when the agreement fell through on April 8, I was fearful that a lot of ground would be lost. I don't think, from what I know, there has been any ground lost with the renegotiation. Charlene Barshefsky, our U.S. Trade Representative, conducted herself in a highly professional way and negotiated what appears to be an excellent agreement, and she did it under very difficult circumstances.

Now that the negotiations are finished, the job of the Senate and the House of Representatives becomes even more important. Our constitutional responsibility requires that the Senate and the House carefully review the agreement in its entirety, and the extent to which there are changes in law, they obviously have to pass the Congress, as any law would, and be signed by the President.

It is a responsibility every Senator takes very seriously because it is assigned to us by the Constitution. And because the Congress has a unique and close relationship with the American people, we must also keep faith with the people who sent us here to fulfill our constitutional responsibilities.

That is why it is critical we know everything that was negotiated.

I want to put emphasis upon that statement.

That is why it is important that the Congress of the United States know everything that was negotiated—everything, every issue, every detail, and every interpretation—so there can be no surprises, no private exchanges of letters, no private understandings about the key meanings of key phrases in the agreement, and no reservations whatsoever that are kept just between negotiators.

In other words, if Congress is going to legislate these agreements and secure these agreements, Congress has a responsibility not only to make sure everything is on the table but to make sure the administration puts everything on the table.

Let me be clear about this. There is an absolute requirement of disclosure. Congress must see everything that is negotiated. And it has not always been this way, or I wouldn't be to the floor asking my colleagues to consider this, and with an admonition to the administration to make sure everything is given to Congress. When congressional approval is required, only what we see and vote on should become the law. Nothing should become the law of the land that is secretly negotiated and that isn't submitted to Congress for our approval.

Because there have been problems in this area in the past, Senator CONRAD of North Dakota and I have introduced legislation. This legislation is contained in the African trade bill. That trade bill was recently approved by the Senate. I will work very hard to see that this provision is part of the final bill approved by conference committee before the African trade bill is sent to the President.

Why are we where we are today with what Senator CONRAD and I have tried to accomplish, and did accomplish, as far as the Senate is concerned? Unfortunately, past administrations have not complied with their basic principles of complete disclosure and complete openness in their submittal of agreements to the Congress. A prior administration—it happened to be a Republican administration—violated the spirit, if not the letter, of this absolute good faith requirement of complete disclosure. This incident occurred in 1988. I want to give background on it because it was in regard to the Canadian Free Trade Agreement which became part of the North American Free Trade Agreement.

At that time, there was disagreement about the meaning of a term relating to Canada's price support system for wheat.

If anybody has heard the articulate speaking of the Senator from North Dakota on this issue—Senator CONRAD has talked about this many times, about wheat unfairly coming into the northern United States in violation of the free trade agreement but somehow being legal because of these side agreements that Congress didn't know about in the past.

There was a disagreement about the meaning of a term relating to Canada's price support system for wheat. The issue dealt with whether the Canadians were manipulating their price support system by unfairly defining a very key term in their favor, thus allowing them to sell wheat below cost in the United States market in violation of the clear meaning of a provision of the Canadian-United States free trade agreement.

The United States insisted that Canada was, indeed, selling wheat below cost in violation of the agreement. Canada denied the violation. The dispute was even taken to a binational panel for resolution.

In the argument before the binational panel for dispute resolution, the Canadian side at that time produced a letter from a few years back from the United States Trade Representative to the Canadians supporting the Canadian interpretation of the provision and very devastating to the case brought by the United States.

The question now is whether the U.S. Trade Representative's letter, or his interpretation of this controversial and important provision, was properly reported to the Congress before we considered that agreement, voted on it, and it became the law of the land. Some might argue that it was disclosed. Others say it was not.

In my view, because the issue of Canada's price support system for wheat was such a politically sensitive issue in the context of the NAFTA agreement, there should not have been any room for doubt what the administration's interpretation was. The disclosure of the administration's interpretation of this key language should have been fully and completely disclosed—not just in the fine print or in response to questions raised by a Senator at a hearing.

When important issues of foreign commerce are at stake and Congress is exercising its constitutional power of regulating foreign commerce, we in the Congress should not have to guess what the answer is or even have to figure out how to ask the right questions in the hearing at the right time and in the right way to get an honest answer, to have open disclosure of what our agreements are and what the results of the negotiation are.

This incident on the wheat and the Canadian Free Trade Agreement had unfortunate and profound consequences. It led some in Congress to believe they could not trust our negotiators. Some of us believed we weren't dealt with fairly. The American wheat farmer has been harmed as a result of it.

Now, I want to say I have the highest regard for our negotiators, especially for Ambassador Barshefsky. She has done a remarkable job. She has my complete trust. So this is not about Ambassador Barshefsky. It is not about any one of our negotiators. Nor is this a partisan concern. The incident that sparked my concern occurred during a Republican administration. I am concerned about one simple thing. The principle of openness and full disclosure to Congress.

This simple, basic principle applies not just to the agreement with China. In about ten days, the United States will help launch a new round of global trade negotiations in Seattle. This new round of trade liberalization talks will

cover agriculture, services, and other key trade issues. Many of these issues are sensitive, and even controversial.

We must be confident that we will see everything that is negotiated in the new round before it can become law. The legislation Senator CONRAD and I wrote that is part of the Africa trade bill requires full disclosure to Congress of all agreements or understandings with a foreign government relating to agricultural trade negotiations—what we refer to here as agricultural trade negotiations, objectives, and consultation.

Anyway, our provision says that any such agreement or understanding that is not disclosed to Congress before legislation implementing a trade agreement is introduced in the Congress shall not become law. In other words, if Congress doesn't know about the agreement, it should not become law. That is very simple. It is very clear. It is a restatement of the principle of full disclosure. It is consistent with Congress' constitutional responsibility for foreign commerce, but I understand the administration opposes this commonsense provision. They want it removed from the bill.

Mr. President, it says in the Conrad-Grassley bill, no secret side deals. The Congress agreed that there should be fully submitted to Congress all of the provisions of any negotiations that must be approved by Congress. I don't know why the administration wants this language removed from the trade bill, but this is what they have sent to the conferees in the Congress of the United States. They list this section that says no secret side deals. They are suggesting we strike this subsection.

We cannot let this happen. I will do everything I can to make sure this physical disclosure provision becomes the law of the land when the House and Senate conferees finally consider the African trade bill. I believe our Government should live by the same standards we expect from farmers in my hometown of New Hartford, IA, or any businessman in Des Moines, IA. Tell us exactly what you mean. Show us everything in the agreement. Act in good faith.

I ask my colleagues to support this provision and vote for it when it comes back from the conference committee so we have physical disclosure of everything so Congress isn't asked to vote on something that is secret, that we don't know anything about. If we do that, we are violating our constitutional responsibility to the people of this country.

The PRESIDING OFFICER. Under the previous agreement the Senator from New York is recognized for 5 minutes.

GOOD NEWS FOR RURAL NEW YORK

Mr. SCHUMER. Mr. President, today I am happy to say there is good news in the omnibus budget bill for rural New Yorkers in two ways. The Satellite Home Viewer Act will finally allow rural residents in rural areas to receive local television programming, and the dairy language in the omnibus final package allows both option 1–A and the New England Dairy Compact to continue. Let me touch on both of these. It is clearly two dollops of good news for rural New Yorkers.

On the satellite bill, I have had constituent after constituent in areas such as Allegany County and Chenango County and Steuben County and Ulster County, throughout New York State in rural areas, tell me all of a sudden they were unable to receive over the air signals to receive local satellite programming. Imagine being cut off. Imagine for years depending on the weather reports before you took your kids to school or because you are a farmer and then not being able to get them. Imagine having your local news shows cut off. Imagine not being able to see things your family was accustomed to seeing, all because of a court action.

Today, that bill, that court action, is being overruled in the omnibus act. I am delighted to say half a million New York residents will now be able to get their local signal from their satellite which they were not able to do before—half a million people, all back the way they should be.

I hope we will continue the progress of the Satellite Home Viewer Act. The Federal provision was taken out. I understand the Senate Banking Committee plans to hold hearings next year to ensure that multiservice providers are encouraged to extend competition. I want to work with my colleagues to make sure my constituents in upstate rural New York, central New York, the west and southern tier, and in the north country have the same viewing options as those in downstate.

The other bit of good news, of course, is the dairy language in the final bill. First, I know some of my colleagues from Wisconsin and Minnesota have labored long and hard on behalf of their constituents in this regard. I salute their hard work, their tenacity, and their diligence. I heard the Senator from Minnesota say the average dairy farm in his State has 60 cows. It is no different in New York. We don't have large farms, by and large. We shouldn't be pitting one against the other. Without 1–A and without the dairy compact we would have had desperate times in rural New York for our dairy farmers. We are the third largest dairy State. Dairy is a vital industry in much of New York.

If option 1–B were allowed to be implemented, New York would experience the single largest loss of any State, $30.5 million a year. Compacts, of course, are necessary. The 1–A option passed both Houses. This is not something being done in the dark of night and not being debated. Both Houses, after full debate, passed both compacts.

I say with all due respect to my colleagues from Minnesota and Wisconsin, it is they who seek to thwart the will of the majority of the House and the Senate when they try at the last minute to stop an omnibus bill from going through. We need this compact.

In New York and New England, the price of milk has not risen by more than 4 cents over the national average in every given year. I say to my downstate constituents, to keep an industry vital to all New Yorkers going, is it worth it to pay that 4 cents? Almost everyone says yes. With senior citizen centers, WIC, and other types of good programs being exempt, this is a worthy piece of legislation. I think it is a good day for the dairy farmers of New York.

It is not all we wanted; I admit that. We want New York to be added to the Northeast Dairy Compact, and we will fight like the devil to make that happen in future years. Without 1–A and the existing dairy compact, which still benefits New York dairy farms in the north country and places such as Washington and Warren Counties and in central New York, those areas without the New England Dairy Compact, we would have suffered dramatically. Adding insult to injury, not having option 1–A would have been devastating.

In the last decade, New York State has lost one-third of its dairy farms, 13,000 to 8,600. The dairy compact and option 1–A will help my State and region retain this vital and cherished industry. I believe that can be done not at the expense of our counterparts in the Midwest.

In conclusion, it is a good day for rural New Yorkers in this omnibus bill. No. 1, the Satellite Home Viewer Act will allow half a million New York families to receive local signal once again; and, an extension of the dairy compact, as well as extension of option 1–A, will allow our dairy farmers who have been struggling over the last decade to have a better chance to survive, to grow, and to prosper in one of the industries most vital to all of New York State.

The PRESIDING OFFICER. Under the previous agreement, the Senator from Maine is recognized.

SENATE ACCOMPLISHMENTS

Ms. COLLINS. For the information of all of our colleagues, I inform Senators that we are still working out some last-minute issues that will then allow the Senate to move a number of important bills that have been cleared on both sides. While we are waiting for these last-minute glitches to be resolved, I want to take this opportunity to respond to some of the comments made by my colleagues on the other side of the aisle this morning.

I am disappointed in some of the process, and I do not support all of the provisions of the omnibus appropriations bill which we will consider later this day, but I very much disagree with the assertions made by some of my colleagues on the other side of the aisle

that we have not accomplished anything during this Congress. We have, in fact, accomplished a great deal of which we can be proud. Rather than engaging in harsh partisan rhetoric, we should be coming together in these final hours of this session to celebrate what we have done for the American people.

First of all, I think we can take great pride in the accomplishment that we will be producing a balanced budget for the first time in decades, one which does not raid the Social Security trust fund. This is a tremendous accomplishment and it establishes a new milestone in fiscal responsibility. It has been the Republican caucus that has held firm in their determination to prevent one penny of the Social Security trust fund from being diverted to support expensive new unrelated Government programs. We have succeeded. We have kept that commitment. We have fulfilled our obligation to the senior citizens of this country. For the first time in 30 years, the Congress has produced a balanced budget which will result in a surplus that does not rely on funds from the Social Security trust fund. The raid on the Social Security trust fund has been stopped cold.

I give a great deal of credit to Senator DOMENICI, to Senator STEVENS, to Senator ABRAHAM, and to all colleagues in the Republican caucus who have united in their determination to secure the Social Security trust fund for our seniors and for future generations. That is an accomplishment of which we can be proud.

Second, I am delighted the omnibus appropriations bill includes what has been my highest priority in the last few months and that is to restore some of the unintended cuts made by the Balanced Budget Act of 1997 as well as by onerous regulations imposed by the Clinton administration that have impaired the ability of our rural hospitals, our home health care agencies, and our nursing homes to provide much needed quality health care to our Nation's senior citizens.

The Presiding Officer has been an early supporter of legislation that I have introduced to provide financial relief to our distressed home health care agencies. America's home health care agencies allow our senior citizens and our disabled citizens to receive the health care where they want it, in the security and the privacy of their own homes. Unfortunately, under the Balanced Budget Act of 1997, and exacerbated by misguided policies of the Clinton administration, America's home health agencies have found their ability to provide this care has been jeopardized. This care is so important to our Nation's senior citizens, particularly those who are living in rural areas of our country where access to home health care may spell the difference between staying in their own homes and having to travel many miles to receive health care.

Unfortunately, since cutbacks in home health care have gone into effect, there has been a devastating impact on the senior citizens of our country. Let me use the example of the State of Maine. As you can see, in just a year's time, more than 6,000 Maine senior citizens have lost their access to home care. In fact, it is 6,600 Maine seniors who have lost their access to home health care. The number of home health care visits in Maine has declined by more than 420,000. Reimbursements to Maine's home health agencies have declined in a year's time by more than $20 million.

Maine's home health agencies have had a long tradition of providing low-cost compassionate care. We are not talking about home health agencies that were in any way abusing the system, making too many visits, or overbilling Medicare. We are talking about home health agencies that were cost effective and efficient, providing quality low-cost care throughout the State of Maine.

I have visited with many of these seniors who have lost access to home health care. One was a retired priest in my hometown of Caribou, ME. He relied on his home health services and has now had to dig deeply into his savings to provide for the care out of his own pocket because Medicare is no longer providing the services he needs.

In another case, I visited an elderly couple in rural Maine who were able to stay together in their own home rather than go into a nursing home because of the valuable services provided by home health care nurses. The woman in this case was severely diabetic. She was confined to a wheelchair and had a wound that was not healing. It was home health care nurses who came three times a week to clean the wound, to change the dressing, to take care of her other health care needs. Home health care allowed her and her elderly husband to stay together in their golden years.

It is that kind of service which has made such a difference to the quality of life of our senior citizens, and it was that kind of service which has been so jeopardized by the ill-advised Clinton administration regulations and the unintended consequences of the Balanced Budget Act of 1997.

The legislation I introduced was a bipartisan bill. It was cosponsored by more than 30 of my colleagues, to reverse these unintended consequences. The Balanced Budget Remedies Act that is included in the omnibus appropriations bill does not go as far as I would like, frankly, but it is a good and necessary first step. I commend the chairman of the Finance Committee, Senator ROTH, as well as Senator MOYNIHAN, for working with us to come up with legislation that we can enact to ensure our senior citizens do not lose access to much needed health care.

That is also a very important bill to our rural hospitals. In our hospitals, in States such as Maine, we have been suffering from the cutbacks that jeopardize their ability to provide care. These hospitals, in most cases, are the only hospital in the community. If they are forced to close because of unfair and inadequate reimbursements from Medicare, it will devastate the communities. It will leave many of our senior citizens and others in the community without access to health care at all when they become ill and need hospitalization.

One of the features of the cutbacks in home health care troubles me. I wonder what has become of these nearly 7,000 Maine citizens. In some cases they have been forced to pay for the care themselves. Many of the seniors in Maine simply cannot afford that kind of out-of-pocket expense. They are living on Social Security, on limited incomes. They already have a very difficult time affording their prescription drugs. Some of them have become sicker because they have lost their access to home health care and have prematurely been forced into nursing homes or have been subject to repeated hospitalization which would have been avoided had the home health care services been provided. The irony and the wrongheaded effect of this policy is we are probably going to end up paying more for the care for these senior citizens who have lost access to their home health care because hospitalization and nursing home care is so much more expensive than home health care. Surely this has been a shortsighted policy.

I am pleased this legislation is going to take the first steps we need to provide much needed financial relief to our Nation's home health care agencies, our rural hospitals, and our nursing homes. It is going to make a real difference. There is much else that is very valuable in this legislation for our Nation's families. Not only our senior citizens but our children are going to benefit from this legislation.

When you hear the rhetoric in this Chamber about education, you would think that somehow there has been an attempt to slash education funding. Nothing could be further from the truth. In fact, the Republican Senate increased—increased, Mr. President—education spending by $500 million beyond what was requested by President Clinton in his budget.

The increase also represents a substantial hike in spending for education programs over last year's spending levels. In fact, the legislation we are about to consider increases education spending by $2 billion over the last fiscal year, and, again, the increase is $500 million over what the President proposed.

Clearly, there is a deep and heartfelt commitment in the Senate to increase education spending and to recognize its importance to the future of this country and to ensuring a bright future for our Nation's children. The issue has not been about money. The issue has been who is best able to make education decisions. That is the debate we will continue next year.

To me, the answer is obvious. We do need to increase the Federal investment in education, but at the same time we need to empower our local school boards, our parents, our teachers, and our principals to make the decisions and set the priorities. We need to hold them accountable for improved education achievement, but we do not need a Washington-knows-best, a one-size-fits-all approach to education policy.

There is other good news in the omnibus appropriations bill, and that is good news for students and their families who are pursuing higher education. Since I have come to the Senate, one of my highest priorities has been to increase Pell grants and student loans so that no qualified student faces a financial barrier that makes it impossible for him or her to attend college.

Prior to coming to the Senate, I worked at a small business and health college in Bangor, ME, known as Husson College. It was there that I first became aware of how critically important Federal financial assistance was for students who are attending college.

Eighty-five percent of the students at Husson College could not afford to attend college but for the assistance they were provided from student loans and from Pell grants. This assistance was absolutely essential in allowing them to attend college. Many of them were first-generation college students. They were the first people in their families to have the opportunity to attend college. They were taking a big step they knew would ensure a brighter future for them and more opportunities.

We know the vast majority of new jobs that are being created into the next century will require some kind of postsecondary education, either attendance at a technical college, a private college, or a university. We are going to need more and more skills, more and more education, if we are to compete for the jobs of the future. That is why I am so delighted the legislation provides a significant increase for Pell grants.

As you can see, the maximum Pell grant will be increased in the appropriations bill. Currently, it is $3,125. The President proposed $3,250. The appropriations bill passed by the Senate proposed $3,325. Those are good steps. They will help make college a little bit more affordable for our Nation's young people; indeed, also for older adults who are returning to college because they realize they need additional skills.

Once again, it is important we emphasize, the Senate increased spending for these essential Pell grants beyond what the President recommended. This is a budget of which we can be proud. It does not include every provision each of us would like. It reflects hours, weeks, and months of work. It reflects compromise. That is what the system is all about.

Each of us would write this bill differently. Each of us wishes the process could be cleaner, that we could work to get our legislation accomplished earlier, that we had more cooperation with the White House in achieving this goal. But the fact is, this legislation will ensure brighter futures for the families of America.

I appreciate the opportunity to set the record straight on these important issues. The bill, which will be before us later today, is not perfect but it is good legislation that deserves the support of all our colleagues.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Ms. COLLINS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

DECEPTIVE MAIL PREVENTION AND ENFORCEMENT ACT

Ms. COLLINS. Mr. President, I ask the Chair lay before the Senate a message from the House of Representatives on the bill (S. 335) to amend chapter 30 of title 39, United States Code, to provide for the nonmailability of certain deceptive matter relating to sweepstakes, skill contests, facsimile checks, administrative procedures, orders, and civil penalties relating to such matter, and for other purposes.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 335) entitled ''An Act to amend chapter 30 of title 39, United States Code, to provide for the nonmailability of certain deceptive matter relating to sweepstakes, skill contests, facsimile checks, administrative procedures, orders, and civil penalties relating to such matter, and for other purposes'', do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Table of contents.

TITLE I—DECEPTIVE MAIL PREVENTION AND ENFORCEMENT

Sec. 101. Short title.
Sec. 102. Restrictions on mailings using misleading references to the United States Government.
Sec. 103. Restrictions on sweepstakes and deceptive mailings.
Sec. 104. Postal service orders to prohibit deceptive mailings.
Sec. 105. Temporary restraining order for deceptive mailings.
Sec. 106. Civil penalties and costs.
Sec. 107. Administrative subpoenas.
Sec. 108. Requirements of promoters of skill contests or sweepstakes mailings.
Sec. 109. State law not preempted.
Sec. 110. Technical and conforming amendments.
Sec. 111. Effective date.

TITLE II—FEDERAL RESERVE BOARD RETIREMENT PORTABILITY

Sec. 201. Short title.
Sec. 202. Portability of service credit.
Sec. 203. Certain transfers to be treated as a separation from service for purposes of the thrift savings plan.
Sec. 204. Clarifying amendments.

TITLE III—AMENDMENT TO THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

Sec. 301. Transfer of certain property to State and local governments.

TITLE I—DECEPTIVE MAIL PREVENTION AND ENFORCEMENT

SEC. 101. SHORT TITLE.

This title may be cited as the ''Deceptive Mail Prevention and Enforcement Act''.

SEC. 102. RESTRICTIONS ON MAILINGS USING MISLEADING REFERENCES TO THE UNITED STATES GOVERNMENT.

Section 3001 of title 39, United States Code, is amended—

(1) in subsection (h)—

(A) in the first sentence by striking ''contains a seal, insignia, trade or brand name, or any other term or symbol that reasonably could be interpreted or construed as implying any Federal Government connection, approval or endorsement'' and inserting the following: ''which reasonably could be interpreted or construed as implying any Federal Government connection, approval, or endorsement through the use of a seal, insignia, reference to the Postmaster General, citation to a Federal statute, name of a Federal agency, department, commission, or program, trade or brand name, or any other term or symbol; or contains any reference to the Postmaster General or a citation to a Federal statute that misrepresents either the identity of the mailer or the protection or status afforded such matter by the Federal Government''; and

(B) in paragraph (2)—

(i) in subparagraph (A) by striking ''and'' at the end;

(ii) in subparagraph (B) by striking ''or'' at the end and inserting ''and''; and

(iii) by inserting after subparagraph (B) the following:

''(C) such matter does not contain a false representation stating or implying that Federal Government benefits or services will be affected by any purchase or nonpurchase; or'';

(2) in subsection (i) in the first sentence—

(A) in the first sentence by striking ''contains a seal, insignia, trade or brand name, or any other term or symbol that reasonably could be interpreted or construed as implying any Federal Government connection, approval or endorsement'' and inserting the following: ''which reasonably could be interpreted or construed as implying any Federal Government connection, approval, or endorsement through the use of a seal, insignia, reference to the Postmaster General, citation to a Federal statute, name of a Federal agency, department, commission, or program, trade or brand name, or any other term or symbol; or contains any reference to the Postmaster General or a citation to a Federal statute that misrepresents either the identity of the mailer or the protection or status afforded such matter by the Federal Government''; and

(B) in paragraph (2)—

(i) in subparagraph (A) by striking ''and'' at the end;

(ii) in subparagraph (B) by striking ''or'' at the end and inserting ''and''; and

(iii) by inserting after subparagraph (B) the following:

''(C) such matter does not contain a false representation stating or implying that Federal Government benefits or services will be affected by any contribution or noncontribution; or'';

(3) by redesignating subsections (j) and (k) as subsections (m) and (n), respectively; and

(4) by inserting after subsection (i) the following:

''(j)(1) Any matter otherwise legally acceptable in the mails which is described in paragraph (2) is nonmailable matter, shall not be carried or delivered by mail, and shall be disposed of as the Postal Service directs.

''(2) Matter described in this paragraph is any matter that—

''(A) constitutes a solicitation for the purchase of or payment for any product or service that—

''(i) is provided by the Federal Government; and

''(ii) may be obtained without cost from the Federal Government; and

''(B) does not contain a clear and conspicuous statement giving notice of the information set forth in clauses (i) and (ii) of subparagraph (A).''.

SEC. 103. RESTRICTIONS ON SWEEPSTAKES AND DECEPTIVE MAILINGS.

Section 3001 of title 39, United States Code, is amended by inserting after subsection (j) (as added by section 102(4)) the following:

''(k)(1) In this subsection—

''(A) the term 'clearly and conspicuously displayed' means presented in a manner that is readily noticeable, readable, and understandable to the group to whom the applicable matter is disseminated;

''(B) the term 'facsimile check' means any matter that—

''(i) is designed to resemble a check or other negotiable instrument; but

''(ii) is not negotiable;

''(C) the term 'skill contest' means a puzzle, game, competition, or other contest in which—

''(i) a prize is awarded or offered;

''(ii) the outcome depends predominately on the skill of the contestant; and

''(iii) a purchase, payment, or donation is required or implied to be required to enter the contest; and

''(D) the term 'sweepstakes' means a game of chance for which no consideration is required to enter.

''(2) Except as provided in paragraph (4), any matter otherwise legally acceptable in the mails which is described in paragraph (3) is nonmailable matter, shall not be carried or delivered by mail, and shall be disposed of as the Postal Service directs.

''(3) Matter described in this paragraph is any matter that—

''(A)(i) includes entry materials for a sweepstakes or a promotion that purports to be a sweepstakes; and

''(ii)(I) does not contain a statement that discloses in the mailing, in the rules, and on the order or entry form, that no purchase is necessary to enter such sweepstakes;

''(II) does not contain a statement that discloses in the mailing, in the rules, and on the order or entry form, that a purchase will not improve an individual's chances of winning with such entry;

''(III) does not state all terms and conditions of the sweepstakes promotion, including the rules and entry procedures for the sweepstakes;

''(IV) does not disclose the sponsor or mailer of such matter and the principal place of business or an address at which the sponsor or mailer may be contacted;

''(V) does not contain sweepstakes rules that state—

''(aa) the estimated odds of winning each prize;

''(bb) the quantity, estimated retail value, and nature of each prize; and

''(cc) the schedule of any payments made over time;

''(VI) represents that individuals not purchasing products or services may be disqualified from receiving future sweepstakes mailings;

''(VII) requires that a sweepstakes entry be accompanied by an order or payment for a product or service previously ordered;

''(VIII) represents that an individual is a winner of a prize unless that individual has won such prize; or

''(IX) contains a representation that contradicts, or is inconsistent with sweepstakes rules or any other disclosure required to be made under this subsection, including any statement qualifying, limiting, or explaining the rules or disclosures in a manner inconsistent with such rules or disclosures;

''(B)(i) includes entry materials for a skill contest or a promotion that purports to be a skill contest; and

''(ii)(I) does not state all terms and conditions of the skill contest, including the rules and entry procedures for the skill contest;

''(II) does not disclose the sponsor or mailer of the skill contest and the principal place of business or an address at which the sponsor or mailer may be contacted; or

''(III) does not contain skill contest rules that state, as applicable—

''(aa) the number of rounds or levels of the contest and the cost to enter each round or level;

''(bb) that subsequent rounds or levels will be more difficult to solve;

''(cc) the maximum cost to enter all rounds or levels;

''(dd) the estimated number or percentage of entrants who may correctly solve the skill contest or the approximate number or percentage of entrants correctly solving the past 3 skill contests conducted by the sponsor;

''(ee) the identity or description of the qualifications of the judges if the contest is judged by other than the sponsor;

''(ff) the method used in judging;

''(gg) the date by which the winner or winners will be determined and the date or process by which prizes will be awarded;

''(hh) the quantity, estimated retail value, and nature of each prize; and

''(ii) the schedule of any payments made over time; or

''(C) includes any facsimile check that does not contain a statement on the check itself that such check is not a negotiable instrument and has no cash value.

''(4) Matter that appears in a magazine, newspaper, or other periodical shall be exempt from paragraph (2) if such matter—

''(A) is not directed to a named individual; or

''(B) does not include an opportunity to make a payment or order a product or service.

''(5) Any statement, notice, or disclaimer required under paragraph (3) shall be clearly and conspicuously displayed. Any statement, notice, or disclaimer required under subclause (I) or (II) of paragraph (3)(A)(ii) shall be displayed more conspicuously than would otherwise be required under the preceding sentence.

''(6) In the enforcement of paragraph (3), the Postal Service shall consider all of the materials included in the mailing and the material and language on and visible through the envelope or outside cover or wrapper in which those materials are mailed.

''(l)(1) Any person who uses the mails for any matter to which subsection (h), (i), (j), or (k) applies shall adopt reasonable practices and procedures to prevent the mailing of such matter to any person who, personally or through a conservator, guardian, or individual with power of attorney—

''(A) submits to the mailer of such matter a written request that such matter should not be mailed to such person; or

''(B)(i) submits such a written request to the attorney general of the appropriate State (or any State government officer who transmits the request to that attorney general); and

''(ii) that attorney general transmits such request to the mailer.

''(2) Any person who mails matter to which subsection (h), (i), (j), or (k) applies shall maintain or cause to be maintained a record of all requests made under paragraph (1). The records shall be maintained in a form to permit the suppression of an applicable name at the applicable address for a 5-year period beginning on the date the written request under paragraph (1) is submitted to the mailer.''.

SEC. 104. POSTAL SERVICE ORDERS TO PROHIBIT DECEPTIVE MAILINGS.

Section 3005(a) of title 39, United States Code, is amended—

(1) by striking ''or'' after ''(h),'' each place it appears; and

(2) by inserting '', (j), or (k)'' after ''(i)'' each place it appears.

SEC. 105. TEMPORARY RESTRAINING ORDER FOR DECEPTIVE MAILINGS.

(a) IN GENERAL.—Section 3007 of title 39, United States Code, is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by striking subsection (a) and inserting the following:

''(a)(1) In preparation for or during the pendency of proceedings under section 3005, the Postal Service may, under the provisions of section 409(d), apply to the district court in any district in which mail is sent or received as part of the alleged scheme, device, lottery, gift enterprise, sweepstakes, skill contest, or facsimile check or in any district in which the defendant is found, for a temporary restraining order and preliminary injunction under the procedural requirements of rule 65 of the Federal Rules of Civil Procedure.

''(2)(A) Upon a proper showing, the court shall enter an order which shall—

''(i) remain in effect during the pendency of the statutory proceedings, any judicial review of such proceedings, or any action to enforce orders issued under the proceedings; and

''(ii) direct the detention by the postmaster, in any and all districts, of the defendant's incoming mail and outgoing mail, which is the subject of the proceedings under section 3005.

''(B) A proper showing under this paragraph shall require proof of a likelihood of success on the merits of the proceedings under section 3005.

''(3) Mail detained under paragraph (2) shall—

''(A) be made available at the post office of mailing or delivery for examination by the defendant in the presence of a postal employee; and

''(B) be delivered as addressed if such mail is not clearly shown to be the subject of proceedings under section 3005.

''(4) No finding of the defendant's intent to make a false representation or to conduct a lottery is required to support the issuance of an order under this section.

''(b) If any order is issued under subsection (a) and the proceedings under section 3005 are concluded with the issuance of an order under that section, any judicial review of the matter shall be in the district in which the order under subsection (a) was issued.''.

(b) REPEAL.—

(1) IN GENERAL.—Section 3006 of title 39, United States Code, and the item relating to such section in the table of sections for chapter 30 of such title are repealed.

(2) CONFORMING AMENDMENTS.—(A) Section 3005(c) of title 39, United States Code, is amended by striking ''section and section 3006 of this title,'' and inserting ''section,''.

(B) Section 3011(e) of title 39, United States Code, is amended by striking ''3006, 3007,'' and inserting ''3007''.

SEC. 106. CIVIL PENALTIES AND COSTS.

Section 3012 of title 39, United States Code, is amended—

(1) in subsection (a) by striking ''$10,000 for each day that such person engages in conduct described by paragraph (1), (2), or (3) of this subsection.'' and inserting ''$50,000 for each mailing of less than 50,000 pieces; $100,000 for each mailing of 50,000 to 100,000 pieces; with an additional $10,000 for each additional 10,000 pieces above 100,000, not to exceed $2,000,000.'';

(2) in paragraphs (1) and (2) of subsection (b) by inserting after ''of subsection (a)'' the following: '', (c), or (d)'';

(3) by redesignating subsections (c) and (d), as subsections (e) and (f), respectively; and

(4) by inserting after subsection (b) the following:

''(c)(1) In any proceeding in which the Postal Service may issue an order under section

3005(a), the Postal Service may in lieu of that order or as part of that order assess civil penalties in an amount not to exceed $25,000 for each mailing of less than 50,000 pieces; $50,000 for each mailing of 50,000 to 100,000 pieces; with an additional $5,000 for each additional 10,000 pieces above 100,000, not to exceed $1,000,000.

''(2) In any proceeding in which the Postal Service assesses penalties under this subsection the Postal Service shall determine the civil penalty taking into account the nature, circumstances, extent, and gravity of the violation or violations of section 3005(a), and with respect to the violator, the ability to pay the penalty, the effect of the penalty on the ability of the violator to conduct lawful business, any history of prior violations of such section, the degree of culpability and other such matters as justice may require.

''(d) Any person who violates section 3001(l) shall be liable to the United States for a civil penalty not to exceed $10,000 for each mailing to an individual.''.

SEC. 107. ADMINISTRATIVE SUBPOENAS.

(a) IN GENERAL.—Chapter 30 of title 39, United States Code, is amended by adding at the end the following:

''§ 3016. Administrative subpoenas

''(a) SUBPOENA AUTHORITY.—

''(1) INVESTIGATIONS.—

''(A) IN GENERAL.—In any investigation conducted under section 3005(a), the Postmaster General may require by subpoena the production of any records (including books, papers, documents, and other tangible things which constitute or contain evidence) which the Postmaster General considers relevant or material to such investigation.

''(B) CONDITION.—No subpoena shall be issued under this paragraph except in accordance with procedures, established by the Postal Service, requiring that—

''(i) a specific case, with an individual or entity identified as the subject, be opened before a subpoena is requested;

''(ii) appropriate supervisory and legal review of a subpoena request be performed; and

''(iii) delegation of subpoena approval authority be limited to the Postal Service's General Counsel or a Deputy General Counsel.

''(2) STATUTORY PROCEEDINGS.—In any statutory proceeding conducted under section 3005(a), the Judicial Officer may require by subpoena the attendance and testimony of witnesses and the production of any records (including books, papers, documents, and other tangible things which constitute or contain evidence) which the Judicial Officer considers relevant or material to such proceeding.

''(3) RULE OF CONSTRUCTION.—Nothing in paragraph (2) shall be considered to apply in any circumstance to which paragraph (1) applies.

''(b) SERVICE.—

''(1) SERVICE WITHIN THE UNITED STATES.—A subpoena issued under this section may be served by a person designated under section 3061 of title 18 at any place within the territorial jurisdiction of any court of the United States.

''(2) FOREIGN SERVICE.—Any such subpoena may be served upon any person who is not to be found within the territorial jurisdiction of any court of the United States, in such manner as the Federal Rules of Civil Procedure prescribe for service in a foreign country. To the extent that the courts of the United States may assert jurisdiction over such person consistent with due process, the United States District Court for the District of Columbia shall have the same jurisdiction to take any action respecting compliance with this section by such person that such court would have if such person were personally within the jurisdiction of such court.

''(3) SERVICE ON BUSINESS PERSONS.—Service of any such subpoena may be made upon a partnership, corporation, association, or other legal entity by—

''(A) delivering a duly executed copy thereof to any partner, executive officer, managing agent, or general agent thereof, or to any agent thereof authorized by appointment or by law to receive service of process on behalf of such partnership, corporation, association, or entity;

''(B) delivering a duly executed copy thereof to the principal office or place of business of the partnership, corporation, association, or entity; or

''(C) depositing such copy in the United States mails, by registered or certified mail, return receipt requested, duly addressed to such partnership, corporation, association, or entity at its principal office or place of business.

''(4) SERVICE ON NATURAL PERSONS.—Service of any subpoena may be made upon any natural person by—

''(A) delivering a duly executed copy to the person to be served; or

''(B) depositing such copy in the United States mails, by registered or certified mail, return receipt requested, duly addressed to such person at his residence or principal office or place of business.

''(5) VERIFIED RETURN.—A verified return by the individual serving any such subpoena setting forth the manner of such service shall be proof of such service. In the case of service by registered or certified mail, such return shall be accompanied by the return post office receipt of delivery of such subpoena.

''(c) ENFORCEMENT.—

''(1) IN GENERAL.—Whenever any person, partnership, corporation, association, or entity fails to comply with any subpoena duly served upon him, the Postmaster General may request that the Attorney General seek enforcement of the subpoena in the district court of the United States for any judicial district in which such person resides, is found, or transacts business, and serve upon such person a petition for an order of such court for the enforcement of this section.

''(2) JURISDICTION.—Whenever any petition is filed in any district court of the United States under this section, such court shall have jurisdiction to hear and determine the matter so presented, and to enter such order or orders as may be required to carry into effect the provisions of this section. Any final order entered shall be subject to appeal under section 1291 of title 28, United States Code. Any disobedience of any final order entered under this section by any court may be punished as contempt.

''(d) DISCLOSURE.—Any documentary material provided pursuant to any subpoena issued under this section shall be exempt from disclosure under section 552 of title 5, United States Code.''.

(b) REGULATIONS.—Not later than 120 days after the date of the enactment of this section, the Postal Service shall promulgate regulations setting out the procedures the Postal Service will use to implement the amendment made by subsection (a).

(c) SEMIANNUAL REPORTS.—Section 3013 of title 39, United States Code, is amended by striking ''and'' at the end of paragraph (4), by redesignating paragraph (5) as paragraph (6), and by inserting after paragraph (4) the following:

''(5) the number of cases in which the authority described in section 3016 was used, and a comprehensive statement describing how that authority was used in each of those cases; and''.

(d) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 30 of title 39, United States Code, is amended by adding at the end the following:

''3016. Administrative subpoenas.''.

SEC. 108. REQUIREMENTS OF PROMOTERS OF SKILL CONTESTS OR SWEEPSTAKES MAILINGS.

(a) IN GENERAL.—Chapter 30 of title 39, United States Code (as amended by section 107) is amended by adding after section 3016 the following:

''§ 3017. Nonmailable skill contests or sweepstakes matter; notification to prohibit mailings

''(a) DEFINITIONS.—In this section—

''(1) the term 'promoter' means any person who—

''(A) originates and mails any skill contest or sweepstakes, except for any matter described in section 3001(k)(4); or

''(B) originates and causes to be mailed any skill contest or sweepstakes, except for any matter described in section 3001(k)(4);

''(2) the term 'removal request' means a request stating that an individual elects to have the name and address of such individual excluded from any list used by a promoter for mailing skill contests or sweepstakes;

''(3) the terms 'skill contest', 'sweepstakes', and 'clearly and conspicuously displayed' have the same meanings as given them in section 3001(k); and

''(4) the term 'duly authorized person', as used in connection with an individual, means a conservator or guardian of, or person granted power of attorney by, such individual.

''(b) NONMAILABLE MATTER.—

''(1) IN GENERAL.—Matter otherwise legally acceptable in the mails described in paragraph (2)—

''(A) is nonmailable matter;

''(B) shall not be carried or delivered by mail; and

''(C) shall be disposed of as the Postal Service directs.

''(2) NONMAILABLE MATTER DESCRIBED.—Matter described in this paragraph is any matter that—

''(A) is a skill contest or sweepstakes, except for any matter described in section 3001(k)(4); and

''(B)(i) is addressed to an individual who made an election to be excluded from lists under subsection (d); or

''(ii) does not comply with subsection (c)(1).

''(c) REQUIREMENTS OF PROMOTERS.—

''(1) NOTICE TO INDIVIDUALS.—Any promoter who mails a skill contest or sweepstakes shall provide with each mailing a statement that—

''(A) is clearly and conspicuously displayed;

''(B) includes the address or toll-free telephone number of the notification system established under paragraph (2); and

''(C) states that the notification system may be used to prohibit the mailing of all skill contests or sweepstakes by that promoter to such individual.

''(2) NOTIFICATION SYSTEM.—Any promoter that mails or causes to be mailed a skill contest or sweepstakes shall establish and maintain a notification system that provides for any individual (or other duly authorized person) to notify the system of the individual's election to have the name and address of the individual excluded from all lists of names and addresses used by that promoter to mail any skill contest or sweepstakes.

''(d) ELECTION TO BE EXCLUDED FROM LISTS.—

''(1) IN GENERAL.—An individual (or other duly authorized person) may elect to exclude the name and address of that individual from all lists of names and addresses used by a promoter of skill contests or sweepstakes by submitting a removal request to the notification system established under subsection (c).

''(2) RESPONSE AFTER SUBMITTING REMOVAL REQUEST TO THE NOTIFICATION SYSTEM.—Not later than 60 calendar days after a promoter receives a removal request pursuant to an election under paragraph (1), the promoter shall exclude the individual's name and address from all lists of names and addresses used by that promoter to select recipients for any skill contest or sweepstakes.

''(3) EFFECTIVENESS OF ELECTION.—An election under paragraph (1) shall remain in effect, unless an individual (or other duly authorized

person) notifies the promoter in writing that such individual—

''(A) has changed the election; and

''(B) elects to receive skill contest or sweepstakes mailings from that promoter.

''(e) PRIVATE RIGHT OF ACTION.—

''(1) IN GENERAL.—An individual who receives one or more mailings in violation of subsection (d) may, if otherwise permitted by the laws or rules of court of a State, bring in an appropriate court of that State—

''(A) an action to enjoin such violation;

''(B) an action to recover for actual monetary loss from such a violation, or to receive $500 in damages for each such violation, whichever is greater; or

''(C) both such actions.

It shall be an affirmative defense in any action brought under this subsection that the defendant has established and implemented, with due care, reasonable practices and procedures to effectively prevent mailings in violation of subsection (d). If the court finds that the defendant willfully or knowingly violated subsection (d), the court may, in its discretion, increase the amount of the award to an amount equal to not more than 3 times the amount available under subparagraph (B).

''(2) ACTION ALLOWABLE BASED ON OTHER SUFFICIENT NOTICE.—A mailing sent in violation of section 3001(l) shall be actionable under this subsection, but only if such an action would not also be available under paragraph (1) (as a violation of subsection (d)) based on the same mailing.

''(f) PROMOTER NONLIABILITY.—A promoter shall not be subject to civil liability for the exclusion of an individual's name or address from any list maintained by that promoter for mailing skill contests or sweepstakes, if—

''(1) a removal request is received by the promoter's notification system; and

''(2) the promoter has a good faith belief that the request is from—

''(A) the individual whose name and address is to be excluded; or

''(B) another duly authorized person.

''(g) PROHIBITION ON COMMERCIAL USE OF LISTS.—

''(1) IN GENERAL.—

''(A) PROHIBITION.—No person may provide any information (including the sale or rental of any name or address) derived from a list described in subparagraph (B) to another person for commercial use.

''(B) LISTS.—A list referred to under subparagraph (A) is any list of names and addresses (or other related information) compiled from individuals who exercise an election under subsection (d).

''(2) CIVIL PENALTY.—Any person who violates paragraph (1) shall be assessed a civil penalty by the Postal Service not to exceed $2,000,000 per violation.

''(h) CIVIL PENALTIES.—

''(1) IN GENERAL.—Any promoter—

''(A) who recklessly mails nonmailable matter in violation of subsection (b) shall be liable to the United States in an amount of $10,000 per violation for each mailing to an individual of nonmailable matter; or

''(B) who fails to comply with the requirements of subsection (c)(2) shall be liable to the United States.

''(2) ENFORCEMENT.—The Postal Service shall, in accordance with the same procedures as set forth in section 3012(b), provide for the assessment of civil penalties under this section.''.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—The table of sections for chapter 30 of title 39, United States Code, is amended by adding after the item relating to section 3016 the following:

''3017. Nonmailable skill contests or sweepstakes matter; notification to prohibit mailings.''.

(c) EFFECTIVE DATE.—This section shall take effect 1 year after the date of the enactment of this Act.

SEC. 109. STATE LAW NOT PREEMPTED.

(a) IN GENERAL.—Nothing in the provisions of this title (including the amendments made by this title) or in the regulations promulgated under such provisions shall be construed to preempt any provision of State or local law that imposes more restrictive requirements, regulations, damages, costs, or penalties. No determination by the Postal Service that any particular piece of mail or class of mail is in compliance with such provisions of this title shall be construed to preempt any provision of State or local law.

(b) EFFECT ON STATE COURT PROCEEDINGS.—Nothing contained in this section shall be construed to prohibit an authorized State official from proceeding in State court on the basis of an alleged violation of any general civil or criminal statute of such State or any specific civil or criminal statute of such State.

SEC. 110. TECHNICAL AND CONFORMING AMENDMENTS.

(a) REFERENCES TO REPEALED PROVISIONS.—Section 3001(a) of title 39, United States Code, is amended by striking ''1714,'' and ''1718,''.

(b) CONFORMANCE WITH INSPECTOR GENERAL ACT OF 1978.—

(1) IN GENERAL.—Section 3013 of title 39, United States Code, is amended—

(A) by striking ''Board'' each place it appears and inserting ''Inspector General'';

(B) in the third sentence by striking ''Each such report shall be submitted within sixty days after the close of the reporting period involved'' and inserting ''Each such report shall be submitted within 1 month (or such shorter length of time as the Inspector General may specify) after the close of the reporting period involved''; and

(C) by striking the last sentence and inserting the following:

''The information in a report submitted under this section to the Inspector General with respect to a reporting period shall be included as part of the semiannual report prepared by the Inspector General under section 5 of the Inspector General Act of 1978 for the same reporting period. Nothing in this section shall be considered to permit or require that any report by the Postmaster General under this section include any information relating to activities of the Inspector General.''.

(2) EFFECTIVE DATE.—This subsection shall take effect on the date of the enactment of this Act, and the amendments made by this subsection shall apply with respect to semiannual reporting periods beginning on or after such date of enactment.

(3) SAVINGS PROVISION.—For purposes of any semiannual reporting period preceding the first semiannual reporting period referred to in paragraph (2), the provisions of title 39, United States Code, shall continue to apply as if the amendments made by this subsection had not been enacted.

SEC. 111. EFFECTIVE DATE.

Except as provided in section 108 or 110(b), this title shall take effect 120 days after the date of the enactment of this Act.

TITLE II—FEDERAL RESERVE BOARD RETIREMENT PORTABILITY

SEC. 201. SHORT TITLE.

This title may be cited as the ''Federal Reserve Board Retirement Portability Act''.

SEC. 202. PORTABILITY OF SERVICE CREDIT.

(a) CREDITABLE SERVICE.—

(1) IN GENERAL.—Section 8411(b) of title 5, United States Code, is amended—

(A) by striking ''and'' at the end of paragraph (3);

(B) in paragraph (4)—

(i) by striking ''of the preceding provisions'' and inserting ''other paragraph''; and

(ii) by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(5) a period of service (other than any service under any other paragraph of this subsection, any military service, and any service performed in the employ of a Federal Reserve Bank) that was creditable under the Bank Plan (as defined in subsection (i)), if the employee waives credit for such service under the Bank Plan and makes a payment to the Fund equal to the amount that would have been deducted from pay under section 8422(a) had the employee been subject to this chapter during such period of service (together with interest on such amount computed under paragraphs (2) and (3) of section 8334(e)).

Paragraph (5) shall not apply in the case of any employee as to whom subsection (g) (or, to the extent subchapter III of chapter 83 is involved, section 8332(n)) otherwise applies.''.

(2) BANK PLAN DEFINED.—Section 8411 of title 5, United States Code, is amended by adding at the end the following:

''(i) For purposes of subsection (b)(5), the term 'Bank Plan' means the benefit structure in which employees of the Board of Governors of the Federal Reserve System appointed on or after January 1, 1984, participate, which benefit structure is a component of the Retirement Plan for Employees of the Federal Reserve System, established under section 10 of the Federal Reserve Act (and any redesignated or successor version of such benefit structure, if so identified in writing by the Board of Governors of the Federal Reserve System for purposes of this chapter).''.

(b) EXCLUSION FROM CHAPTER 84.—

(1) IN GENERAL.—Paragraph (2) of section 8402(b) of title 5, United States Code, is amended by striking the matter before subparagraph (B) and inserting the following:

''(2)(A) any employee or Member who has separated from the service after—

''(i) having been subject to—

''(I) subchapter III of chapter 83 of this title;

''(II) subchapter I of chapter 8 of title I of the Foreign Service Act of 1980; or

''(III) the benefit structure for employees of the Board of Governors of the Federal Reserve System appointed before January 1, 1984, that is a component of the Retirement Plan for Employees of the Federal Reserve System, established under section 10 of the Federal Reserve Act; and

''(ii) having completed—

''(I) at least 5 years of civilian service creditable under subchapter III of chapter 83 of this title;

''(II) at least 5 years of civilian service creditable under subchapter I of chapter 8 of title I of the Foreign Service Act of 1980; or

''(III) at least 5 years of civilian service (other than any service performed in the employ of a Federal Reserve Bank) creditable under the benefit structure for employees of the Board of Governors of the Federal Reserve System appointed before January 1, 1984, that is a component of the Retirement Plan for Employees of the Federal Reserve System, established under section 10 of the Federal Reserve Act,

determined without regard to any deposit or redeposit requirement under either such subchapter or under such benefit structure, or any requirement that the individual become subject to either such subchapter or to such benefit structure after performing the service involved; or''.

(2) EXCEPTION.—Subsection (d) of section 8402 of title 5, United States Code, is amended to read as follows:

''(d) Paragraph (2) of subsection (b) shall not apply to an individual who—

''(1) becomes subject to—

''(A) subchapter II of chapter 8 of title I of the Foreign Service Act of 1980 (relating to the Foreign Service Pension System) pursuant to an election; or

''(B) the benefit structure in which employees of the Board of Governors of the Federal Reserve System appointed on or after January 1, 1984, participate, which benefit structure is a component of the Retirement Plan for Employees of the Federal Reserve System, established

under section 10 of the Federal Reserve Act (and any redesignated or successor version of such benefit structure, if so identified in writing by the Board of Governors of the Federal Reserve System for purposes of this chapter); and

''(2) subsequently enters a position in which, but for paragraph (2) of subsection (b), such individual would be subject to this chapter.''.

(c) PROVISIONS RELATING TO CERTAIN FORMER EMPLOYEES.—A former employee of the Board of Governors of the Federal Reserve System who—

(1) has at least 5 years of civilian service (other than any service performed in the employ of a Federal Reserve Bank) creditable under the benefit structure for employees of the Board of Governors of the Federal Reserve System appointed before January 1, 1984, that is a component of the Retirement Plan for Employees of the Federal Reserve System, established under section 10 of the Federal Reserve Act;

(2) was subsequently employed subject to the benefit structure in which employees of the Board of Governors of the Federal Reserve System appointed on or after January 1, 1984, participate, which benefit structure is a component of the Retirement Plan for Employees of the Federal Reserve System, established under section 10 of the Federal Reserve Act (and any redesignated or successor version of such benefit structure, if so identified in writing by the Board of Governors of the Federal Reserve System for purposes of chapter 84 of title 5, United States Code); and

(3) after service described in paragraph (2), becomes subject to and thereafter entitled to benefits under chapter 84 of title 5, United States Code,

shall, for purposes of section 302 of the Federal Employees' Retirement System Act of 1986 (100 Stat. 601; 5 U.S.C. 8331 note) be considered to have become subject to chapter 84 of title 5, United States Code, pursuant to an election under section 301 of such Act.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to succeeding provisions of this subsection, this section and the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PROVISIONS RELATING TO CREDITABILITY AND CERTAIN FORMER EMPLOYEES.—The amendments made by subsection (a) and the provisions of subsection (c) shall apply only to individuals who separate from service subject to chapter 84 of title 5, United States Code, on or after the date of the enactment of this Act.

(3) PROVISIONS RELATING TO EXCLUSION FROM CHAPTER.—The amendments made by subsection (b) shall not apply to any former employee of the Board of Governors of the Federal Reserve System who, subsequent to his or her last period of service as an employee of the Board of Governors of the Federal Reserve System and prior to the date of the enactment of this Act, became subject to subchapter III of chapter 83 or chapter 84 of title 5, United States Code, under the law in effect at the time of the individual's appointment.

SEC. 203. CERTAIN TRANSFERS TO BE TREATED AS A SEPARATION FROM SERVICE FOR PURPOSES OF THE THRIFT SAVINGS PLAN.

(a) AMENDMENTS TO CHAPTER 84 OF TITLE 5, UNITED STATES CODE.—

(1) IN GENERAL.—Subchapter III of chapter 84 of title 5, United States Code, is amended by inserting before section 8432 the following:

''§ 8431. Certain transfers to be treated as a separation

''(a) For purposes of this subchapter, separation from Government employment includes a transfer from a position that is subject to one of the retirement systems described in subsection (b) to a position that is not subject to any of them.

''(b) The retirement systems described in this subsection are—

''(1) the retirement system under this chapter;

''(2) the retirement system under subchapter III of chapter 83; and

''(3) any other retirement system under which individuals may contribute to the Thrift Savings Fund through withholdings from pay.''.

(2) CLERICAL AMENDMENT.—The table of sections for chapter 84 of title 5, United States Code, is amended by inserting before the item relating to section 8432 the following:

''8431. Certain transfers to be treated as a separation.''.

(b) CONFORMING AMENDMENTS.—Subsection (b) of section 8351 of title 5, United States Code, is amended by redesignating paragraph (11) as paragraph (8), and by adding at the end the following:

''(9) For the purpose of this section, separation from Government employment includes a transfer described in section 8431.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to transfers occurring before, on, or after the date of the enactment of this Act, except that, for purposes of applying such amendments with respect to any transfer occurring before such date of enactment, the date of such transfer shall be considered to be the date of the enactment of this Act. The Executive Director (within the meaning of section 8401(13) of title 5, United States Code) may prescribe any regulations necessary to carry out this subsection.

SEC. 204. CLARIFYING AMENDMENTS.

(a) IN GENERAL.—Subsection (f) of section 3304 of title 5, United States Code, as added by section 2 of Public Law 105–339, is amended—

(1) by striking paragraph (4);

(2) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(3) by inserting after paragraph (1) the following:

''(2) If selected, a preference eligible or veteran described in paragraph (1) shall acquire competitive status and shall receive a career or career-conditional appointment, as appropriate.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if enacted on October 31, 1998.

TITLE III—AMENDMENT TO THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

SEC. 301. TRANSFER OF CERTAIN PROPERTY TO STATE AND LOCAL GOVERNMENTS.

Section 203(p)(1)(B)(ii) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(p)(1)(B)(ii)) is amended by striking ''December 31, 1999.'' and inserting ''July 31, 2000. During the period beginning January 1, 2000, and ending July 31, 2000, the Administrator may not convey any property under subparagraph (A), but may accept, consider, and approve applications for transfer of property under that subparagraph.''.

Ms. COLLINS. Mr. President, I ask unanimous consent that the Senate agree to the amendment of the House.

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

Ms. COLLINS. Mr. President, I am delighted the Senate has now sent S. 335, the Deceptive Mail Prevention and Enforcement Act that I introduced to curb deceptive mailings, to the President for his signature.

The Senate originally passed this legislation by a vote of 93–0 on August 2. It will impose new disclosure requirements on sweepstakes mailings to protect consumers. It will also provide new authority to the Postal Service to take enforcement action against those companies sending deceptive mailings.

I want to thank several people whose hard work has made passage today possible. I particularly want to acknowledge the contributions of Senator LEVIN of Michigan, the ranking minority member of the permanent Subcommittee on Investigations, and the chief cosponsor of this important legislation. In addition, Senator COCHRAN and Senator EDWARDS were real leaders in this effort and contributed greatly to the legislation.

There were many other Senators, as well, who cosponsored this measure. In particular, I want to recognize the contributions of several members of the Committee on Governmental Affairs, including Chairman THOMPSON, Senators LIEBERMAN, STEVENS, DURBIN, DOMENICI, AKAKA, and SPECTER. They were early cosponsors of this legislation.

Senator CAMPBELL has also played an important role. He first introduced legislation to curb some of the deceptive practices of sweepstakes companies.

In addition, there are several Members of the House of Representatives who have also worked very hard to bring to about passage today. They include Congressman JOHN MCHUGH, who is chairman of the Subcommittee on the Postal Service; Congressman FATTAH, who is the ranking minority member of the subcommittee; Congressman LOBIONDO, Congressman ROGAN, Congressman MCCOLLUM, Congressman and Chairman DAN BURTON, and Congressman HENRY WAXMAN. All of them worked very hard to forge workable legislation that is going to make a real difference.

I also want to express my thanks to the members of my staff who worked very hard on this. On the subcommittee staff, Lee Blalack and Kirk Walder were instrumental, and on my personal staff, Michael Bopp, my legislative director—all of them worked very hard.

The requirements in this legislation will reduce the deceptive techniques that have caused countless Americans, hundreds of thousands of Americans, many of them elderly, to purchase products they do not need nor do they want. Once this legislation takes effect, mailings will be required to make crystal clear to consumers that no purchase is necessary to enter a sweepstakes and that making a purchase will not improve your chances of winning.

That is the primary misconception our investigation identified. Too many consumers believe if they make a purchase, somehow they will improve their chances of winning, but nothing could be further from the truth. It is easy to see why they have that misconception because that is exactly the impression these deceptive mailings are intended to leave.

In addition, the legislation will prohibit sweepstakes companies from telling people they are a winner unless they really have won a prize.

Enactment of this legislation concludes a year-long investigation by the Permanent Subcommittee on Investigations, which I chair. Prompted by

complaints from my constituents in Maine, I began an investigation to examine deceptive mailings. Hearings before the subcommittee demonstrated that the deceptive techniques of major sweepstakes companies were misleading thousands of Americans into making purchases of products. Further investigation into the activities of the smaller sweepstakes companies, the ones that I call the ''stealth companies,'' showed that their practices were even more deceptive. In some cases, they bordered on outright fraud.

The subcommittee heard heartbreaking testimony that deceptive sweepstakes can induce trusting consumers to buy thousands of dollars of unnecessary and unwanted merchandise. One example was a magazine subscription extending to the year 2018 that one witness testified that her 82-year-old father-in-law purchased because of sweepstakes promotions.

We found that our senior citizens are particularly vulnerable to these kinds of deceptive mailings. They are a trusting generation. Many seniors tend to believe what they read, particularly if it is endorsed by a trusted spokesman, comes from a well-known company, or involves a mailing that has been designed to appear as if it is from the Federal Government.

Family members told us of loved ones who were so convinced that they had won a sweepstakes that they refused to leave their home for fear they would miss the Prize Patrol. One constituent of mine actually canceled needed surgery because she did not want to miss Ed McMahon's visit. Sadly, of course, Ed McMahon never showed up.

We found cases of seniors enticed by the bold promises of sweepstakes who spent their Social Security checks, squandered their life's savings, and even borrowed money to buy unwanted magazines and other merchandise.

I will never forget the testimony of one man who broke down in tears as he recounted how the sweepstakes companies had deceived him into purchasing $15,000 worth of products in an effort to win the big prize.

The loss suffered by consumers cannot be measured in dollars alone. As one elderly gentleman put it:

> My wife has finally come to realize that she has been duped by the sweepstakes solicitations for all these years. Although the financial train is now halted, the loss of her dignity is incalculable.

Unfortunately, these are not isolated examples. According to a survey commissioned by the AARP, 40 percent of seniors surveyed believe there is a connection between purchasing and winning. It is easy to see why consumers believe they have already won or that they will win if they just purchase something as a result of these mailings.

I would like to show you, Mr. President, and read from a sweepstakes mailing that I received last week at my home in Bangor, ME. As you can see, in bold print, it proclaims: ''Our sweepstakes results are now final.'' ''Ms. Susan M. Collins has won a cash prize of $833,337.'' ''A bank check for $833,337 is on its way to''—my address—''in Bangor.'' It further warns that I will forfeit the entire amount if I refuse to respond to this notice. On the back it says, again, ''A bank check for $833,337 in cash will be sent to you by certified mail if you respond now.''

I have a feeling you will not be surprised to learn that I am not the big winner. But if I relied on the information in this mailing, it would be easy to see why many people would be deceived into thinking they have, indeed, won the grand prize.

Now, in the small print—not in the bold type—but in the small print it explains that I have to have the winning number to really win the prize.

That message is overwhelmed by the bold proclamations telling me I am a winner. Of course, in case I am tempted not to enter, there is what appears to be a personal note that says, ''Please don't say no now,'' and implores me to enter and to buy the product offered. This is not unusual. This is typical of the kinds of deceptive mailings that are all too common and that flood the mailboxes of American consumers with more than a billion pieces of mail a year.

You shouldn't have to be a lawyer, you shouldn't have to have a magnifying glass, to figure out the rules of the game and the odds of winning. Our legislation will make a real difference by requiring honest disclosures, by preventing sweepstakes companies from telling people they have won when they have not, and, most importantly, by making crystal clear to consumers that you don't have to make a purchase to win and that making a purchase will not increase your chances of winning.

Mr. President, as I said, I am pleased that the Senate is now poised to send my legislation to curb deceptive mailings to the President for his signature.

As I have described to my colleagues previously, you only have to look at some of these sweepstakes mailings to understand why. For example, one mailing by Publisher's Clearing House, which is famous for its Prize Patrol, tells the consumer to ''Open Your Door To $31 Million on January 31.'' This mailing suggests to the reader that his or her past purchases are paying off. Specifically, the mailing states: ''You see, your recent order and entry has proven to us that you're indeed one of our loyal friends and a savvy sweepstakes player. And now I'm pleased to tell you that you've passed our selection criteria to receive this special invitation.''

Another mailing from American Family Publishers stated, ''It's Down to a 2 person race for $11,000,000—You And One Other Person In Georgia Were Issued the Winning Number . . . Whoever Returns It First Wins It All!'' Most people probably didn't see the fine print that declared, ''If you have the winning number.'' Unless the contestant reads and understands this fine print, the mailing leaves the unmistakable impression that the recipient and one other person have the winning number for the $11 million prize.

Mr. President, the bill adopted by the Senate would curb these problems by, for the first time, establishing federal standards for a variety of promotional mailings, including sweepstakes mailings. Such mailings must clearly and conspicuously display several important disclosures, including statements that no purchase is necessary to enter the contest and that a purchase will not improve your chances of winning; the odds of winning; the value and nature of each prize; and the name and address of the sponsor. Sweepstakes mailings would also be required to include all the rules and entry procedures for the sweepstakes.

This legislation also addresses another problem consumers experience in dealing with sweepstakes companies. The Subcommittee heard from many individuals who found it difficult to have their name or a parent's name removed from the mailing lists of sweepstakes companies, or who were told that the name removal process might take as long as six months. To address this problem, this legislation includes a section developed by Senator EDWARDS that would require companies sending sweepstakes or skill contests to establish a system allowing consumers to call or write to have their names removed from the companies' mailing lists.

The House made several modifications to this section of the bill, including extending the time from 35 days to 60 days by which companies must remove names of consumers who do not wish to receive future sweepstakes or skill contest mailings. Non-profit mailers who use sweepstakes contests requested a time limit of longer than 35 days, arguing that their limited resources might not allow the establishment of a system to quickly remove names. The 60-day limit in the bill, however, should not be used by any company to continue to inundate with more mailings those consumers who have asked to be removed from sweepstakes mailing lists. Accordingly, companies should make every effort to remove names as quickly as possible.

The House also added provisions to allow consumers to bring a private right of action in state court if they receive a mailing after previously requesting to be removed from the mailing list of a skill contest or sweepstakes promoter. Sweepstakes promoters will have an affirmative defense if they have established and implemented, with due care, reasonable practices and procedures to effectively prevent mailings that would violate the section on name removal.

The notification system in the bill passed by the Senate, and modified by the House, requires companies to include in every mailing the address or a

toll-free telephone number of the notification system, but does not require that consumers submit their name in writing to comply with the removal system. Companies are encouraged to adopt a consumer friendly system for the removal of names from their mailing lists, which may include the ability to have names removed by calling a toll-free number. Under this legislation, companies using a toll-free number to permit the removal of names would not need to require a consumer to also provide their name in writing. Any appropriate method of establishing a record of removal requests by consumers would comply with the requirements of Section 8(d) of the legislation. For example, companies may wish to electronically verify the consumer's election to be removed from their mailing list.

The legislation would strengthen the ability of the Postal Service to investigate, penalize, and stop deceptive mailings. It grants the Postal Inspection Service subpoena authority, nationwide stop mail authority, and the ability to impose tougher civil penalties. The House made several changes in the subpoena authority, including requiring the Postal Service to develop procedures for the issuance of subpoenas and their approval by the General Counsel or a Deputy General Counsel of the Postal Service. The new subpoena authority will give the Postal Inspection Service better ability to investigate and stop deceptive mailings, and I encourage the General Counsel of the Postal Service to recognize that effective enforcement of this legislation requires the timely issuance of subpoenas.

Mr. President, S. 335 will provide important new consumer protections against the many deceptive techniques currently used in promotional mailings. I thank my colleagues for their support of this measure.

I yield to the subcommittee's ranking minority member, Senator LEVIN. As I explained earlier in my remarks, he has been the chief cosponsor of this legislation and a true leader in the effort to crack down on deceptive mailings.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I thank the good Senator from Maine for her leadership in this and so many other consumer issues. This bill would not be here on the floor of the Senate without her leadership on the Permanent Subcommittee on Investigations, which has taken responsibility for getting this bill passed.

S. 335, the bill we have just passed and sent to the President is going to crack down on deceptive sweepstakes practices that have affected people in all of our States. Most of us have personal knowledge of the kind of egregious deceptive practices which have been perpetrated by too many companies, including some otherwise reputable companies that are using deceptive practices to suck into their net people who will be lured into believing that if they buy something or subscribe to something, somehow or other that will increase their chances of winning a prize.

The bill we are passing today is similar to one I had introduced in the 105th Congress to curb abuse of sweepstakes solicitations and provide for additional enforcement tools against deceptive mailings by the Postal Service. There were hearings held in September of 1998 in the Governmental Affairs Committee Federal Services Subcommittee that was then chaired by Senator COCHRAN.

We learned from witnesses at that hearing, including the Florida attorney general, the Michigan assistant attorney general, and the Postal Inspection Service, that senior citizens in particular are vulnerable to these deceptive solicitations and that the financial cost to seniors for deceptive and fraudulent sweepstakes is a serious problem. Deceptive sweepstakes solicitations not only cause significant financial losses but frequently carry heavy emotional losses as well.

We have constituents in Michigan, seniors, who have lost tens of thousands of dollars to deceptive sweepstakes. Their houses are frequently filled with hundreds of items they don't need that they bought because they thought somehow or other it might help them win the promised prize.

The Postal Service has inadequate tools to effectively shut down these deceptive marketing people, so we have added some tough enforcement tools in this bill.

Until this bill becomes law, the Postal Service, for instance, cannot impose a fine against a promoter who uses deceptive practices until the Postal Service first issues a stop order. Now, if you wait for a stop order to be violated before you can impose an administrative fine, what the deceptive sweepstakes promoter does is slightly modify in some way the deceptive mailing that is the subject of the stop order so they can avoid being caught by a violation of the Postal Service stop order. The Postal Service currently is too often powerless to stop these kinds of deceptive practices and the slight changes which are made in them which allow the companies that are using these practices to continue and ignore what appears to be a stop order.

In March and July of this year, Senator COLLINS chaired hearings in the Permanent Subcommittee on Investigations, where I serve as ranking member. The bill we are taking up today, S. 335, reflects what we learned at those hearings as well. Senator COLLINS has set forth for us some of the egregious examples. I will not take the time of this body to go through some of these additional examples we have. We have seen them all. We have seen the big print that says, ''you have just won a big prize;'' we have seen the fine, unreadable print that says but only ''if you have the winning number;'' the headline which says ''a million dollars is yours'' or ''just submit this number'' and you will have this big prize. The fine print says ''no,'' you haven't. We have all seen those kinds of examples and the way people are taken in.

Fortunately, most people aren't taken in, but enough people are, so that a billion pieces of this kind of mail, sweepstakes mail, is sent out each year, including by some companies that are otherwise companies that have good reputations. We have had these kinds of deceptive mailings sent out by Time Warner, by Reader's Digest, by other companies whose names have generally prompted positive responses in people because their products have been good products. Yet they have stooped, in the case of sweepstakes, to deceptive practices in order to lull the people who receive these sweepstakes mailings into believing that if they will just buy that magazine or just buy that product, they will really seal the deal and the truck will really show up with the check. We have seen these ads on television, the come-ons. Thank God, 90 or 95 percent of the people look at them and can see them for what they are. It is that 5 or 10 percent, frequently seniors, who are taken in. We are trying to stop these practices. This bill, hopefully, will do exactly that.

We are going to require that the statement that a purchase will not increase an individual's chances of winning and that no purchase is necessary to win be clearly and conspicuously displayed in the mailing—in fact more conspicuously displayed than the other information in the mailing.

The House changed the term ''prominently'' in our Senate bill, which was used to describe how these two key required statements must be displayed and substituted ''more conspicuously'' for ''prominently'' to better match previous uses of the term. The intent of both houses on this subject is the same, however, and we have emphasized that point in the committee report. There should be no misunderstanding by the Postal Service and by the direct mail industry on what we intend by this.

S. 335 is also going to provide the Postal Service with authority to issue a civil penalty for the first-time violation of the statute, and we are going to give the Postal Service subpoena authority. Those are some of the things we have done.

Again, I thank the good Senator from Maine, Ms. COLLINS, her staff, my staff, Linda Gustitus and her good crew, who have made it possible for this bill to happen. Senator EDWARDS has been extremely helpful with his provision requiring a delisting of persons not wanting to receive sweepstakes mailings. Senator COCHRAN has been very much in the forefront of this effort. Again, the majority and minority staffs of the

Permanent Subcommittee on Investigations have done an absolutely superb job of putting together these hearings and developing this legislation.

I am confident that with the Senate's passage today, the President will sign the bill into law. It is a bill that will help end the abuses which too often occur in this area and which take advantage of people who are too often vulnerable to the power of suggestion.

PRIVILEGE OF THE FLOOR

Ms. COLLINS. Mr. President, I ask unanimous consent that Benjamin Brown, a legislative assistant in Senator TED STEVENS' office, be granted floor privileges for the 19th and 20th of November.

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

INTERNET GAMBLING PROHIBITION ACT OF 1999

Ms. COLLINS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 158, S. 692.

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

The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 692) to prohibit Internet gambling, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

S. 692

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 ''Internet Gambling Prohibition Act of 1999''.

SEC. 2. PROHIBITION ON INTERNET GAMBLING.

(a) IN GENERAL.—Chapter 50 of title 18, United States Code, is amended by adding at the end the following:

''§ 1085. Internet gambling

''(a) DEFINITIONS.—In this section:

''(1) BETS OR WAGERS.—The term 'bets or wagers'—

''(A) means the staking or risking by any person of something of value upon the outcome of a contest of others, a sporting event, or a game of chance, upon an agreement or understanding that the person or another person will receive something of value based on that outcome;

''(B) includes the purchase of a chance or opportunity to win a lottery or other prize (which opportunity to win is predominantly subject to chance);

''(C) includes any scheme of a type described in section 3702 of title 28; and

''(D) does not include—

''(i) a bona fide business transaction governed by the securities laws (as that term is defined in section 3(a)(47) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(47))) for the purchase or sale at a future date of securities (as that term is defined in section 3(a)(10) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(10)));

''(ii) a transaction on or subject to the rules of a contract market designated pursuant to section 5 of the Commodity Exchange Act (7 U.S.C. 7);

''(iii) a contract of indemnity or guarantee; or

''(iv) a contract for life, health, or accident insurance.

''(2) CLOSED-LOOP SUBSCRIBER-BASED SERVICE.—The term 'closed-loop subscriber-based service' means any information service or system that uses—

''(A) a device or combination of devices—

''(i) expressly authorized and operated in accordance with the laws of a State, exclusively for placing, receiving, or otherwise making a bet or wager described in subsection (f)(1)(B); and

''(ii) by which a person located within any State must subscribe and be registered with the provider of the wagering service by name, address, and appropriate billing information to be authorized to place, receive, or otherwise make a bet or wager, and must be physically located within that State in order to be authorized to do so;

''(B) an effective customer verification and age verification system, expressly authorized and operated in accordance with the laws of the State in which it is located, to ensure that all applicable Federal and State legal and regulatory requirements for lawful gambling are met; and

''(C) appropriate data security standards to prevent unauthorized access by any person who has not subscribed or who is a minor.

''(3) FOREIGN JURISDICTION.—The term 'foreign jurisdiction' means a jurisdiction of a foreign country or political subdivision thereof.

''(4) GAMBLING BUSINESS.—The term 'gambling business' means—

''(A) a business that is conducted at a gambling establishment, or that—

''(i) involves—

''(I) the placing, receiving, or otherwise making of bets or wagers; or

''(II) the offering to engage in the placing, receiving, or otherwise making of bets or wagers;

''(ii) involves 1 or more persons who conduct, finance, manage, supervise, direct, or own all or part of such business; and

''(iii) has been or remains in substantially continuous operation for a period in excess of 10 days or has a gross revenue of $2,000 or more from such business during any 24-hour period; and

''(B) any soliciting agent of a business described in subparagraph (A).

''(5) INFORMATION ASSISTING IN THE PLACING OF A BET OR WAGER.—The term 'information assisting in the placing of a bet or wager'—

''(A) means information that is intended by the sender or recipient to be used by a person engaged in the business of betting or wagering to place, receive, or otherwise make a bet or wager; and

''(B) does not include—

''(i) information concerning parimutuel pools that is exchanged exclusively between or among 1 or more racetracks or other parimutuel wagering facilities licensed by the State or approved by the foreign jurisdiction in which the facility is located, and 1 or more parimutuel wagering facilities licensed by the State or approved by the foreign jurisdiction in which the facility is located, if that information is used only to conduct common pool parimutuel pooling under applicable law;

''(ii) information exchanged exclusively between or among 1 or more racetracks or other parimutuel wagering facilities licensed by the State or approved by the foreign jurisdiction in which the facility is located, and a support service located in another State or foreign jurisdiction, if the information is used only for processing bets or wagers made with that facility under applicable law;

''(iii) information exchanged exclusively between or among 1 or more wagering facilities that are located within a single State and are licensed and regulated by that State, and any support service, wherever located, if the information is used only for the pooling or processing of bets or wagers made by or with the facility or facilities under applicable State law;

''(iv) any news reporting or analysis of wagering activity, including odds, racing or event results, race and event schedules, or categories of wagering; or

''(v) any posting or reporting of any educational information on how to make a bet or wager or the nature of betting or wagering.

''(6) INTERACTIVE COMPUTER SERVICE.—The term 'interactive computer service' means any information service, system, or access software provider that operates in, or uses a channel or instrumentality of, interstate or foreign commerce to provide or enable access by multiple users to a computer server, including specifically a service or system that provides access to the Internet.

''(7) INTERACTIVE COMPUTER SERVICE PROVIDER.—The term 'interactive computer service provider' means any person that provides an interactive computer service, to the extent that such person offers or provides such service.

''(8) INTERNET.—The term 'Internet' means the international computer network of both Federal and non-Federal interoperable packet switched data networks.

''(9) PERSON.—The term 'person' means any individual, association, partnership, joint venture, corporation (or any affiliate of a corporation), State or political subdivision thereof, department, agency, or instrumentality of a State or political subdivision thereof, or any other government, organization, or entity (including any governmental entity (as defined in section 3701(2) of title 28)).

''(10) PRIVATE NETWORK.—The term 'private network' means a communications channel or channels, including voice or computer data transmission facilities, that use either—

''(A) private dedicated lines; or

''(B) the public communications infrastructure, if the infrastructure is secured by means of the appropriate private communications technology to prevent unauthorized access.

''(11) STATE.—The term 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a commonwealth, territory, or possession of the United States.

''(12) SUBSCRIBER.—The term 'subscriber'—

''(A) means any person with a business relationship with the interactive computer service provider through which such person receives access to the system, service, or network of that provider, even if no formal subscription agreement exists; and

''(B) includes registrants, students who are granted access to a university system or network, and employees or contractors who are granted access to the system or network of their employer.

''(b) INTERNET GAMBLING.—

''(1) PROHIBITION.—Subject to subsection (f), it shall be unlawful for a person engaged in a gambling business knowingly to use the Internet or any other interactive computer service—

''(A) to place, receive, or otherwise make a bet or wager; or

''(B) to send, receive, or invite information assisting in the placing of a bet or wager.

''(2) PENALTIES.—A person engaged in a gambling business who violates this section shall be—

''(A) fined in an amount equal to not more than the greater of—

''(i) the total amount that such person bet or wagered, or placed, received, or accepted in bets or wagers, as a result of engaging in that business in violation of this section; or

''(ii) $20,000;

''(B) imprisoned not more than 4 years; or

''(C) both.

''(3) PERMANENT INJUNCTIONS.—Upon conviction of a person under this section, the court may enter a permanent injunction enjoining such person from placing, receiving, or otherwise making bets or wagers or sending, receiving, or inviting information assisting in the placing of bets or wagers.

''(c) CIVIL REMEDIES.—

''(1) JURISDICTION.—The district courts of the United States shall have original and exclusive jurisdiction to prevent and restrain violations of this section by issuing appropriate orders in accordance with this section, regardless of whether a prosecution has been initiated under this section.

''(2) PROCEEDINGS.—

''(A) INSTITUTION BY FEDERAL GOVERNMENT.—

''(i) IN GENERAL.—The United States may institute proceedings under this subsection to prevent or restrain a violation of this section.

''(ii) RELIEF.—Upon application of the United States under this subparagraph, the district court may enter a temporary restraining order or an injunction against any person to prevent or restrain a violation of this section if the court determines, after notice and an opportunity for a hearing, that there is a substantial probability that such violation has occurred or will occur.

''(B) INSTITUTION BY STATE ATTORNEY GENERAL.—

''(i) IN GENERAL.—The attorney general of a State (or other appropriate State official) in which a violation of this section allegedly has occurred or will occur, after providing written notice to the United States, may institute proceedings under this subsection to prevent or restrain the violation.

''(ii) RELIEF.—Upon application of the attorney general (or other appropriate State official) of an affected State under this subparagraph, the district court may enter a temporary restraining order or an injunction against any person to prevent or restrain a violation of this section if the court determines, after notice and an opportunity for a hearing, that there is a substantial probability that such violation has occurred or will occur.

''(C) INDIAN LANDS.—Notwithstanding subparagraphs (A) and (B), for a violation that is alleged to have occurred, or may occur, on Indian lands (as that term is defined in section 4 of the Indian Gaming Regulatory Act (25 U.S.C. 2703))—

''(i) the United States shall have the enforcement authority provided under subparagraph (A); and

''(ii) the enforcement authorities specified in an applicable Tribal-State compact negotiated under section 11 of the Indian Gaming Regulatory Act (25 U.S.C. 2710) shall be carried out in accordance with that compact.

''(D) EXPIRATION.—Any temporary restraining order or preliminary injunction entered pursuant to subparagraph (A) or (B) shall expire if, and as soon as, the United States, or the attorney general (or other appropriate State official) of the State, as applicable, notifies the court that issued the order or injunction that the United States or the State, as applicable, will not seek a permanent injunction.

''(3) EXPEDITED PROCEEDINGS.—

''(A) IN GENERAL.—In addition to any proceeding under paragraph (2), a district court may, in exigent circumstances, enter a temporary restraining order against a person alleged to be in violation of this section upon application of the United States under paragraph (2)(A), or the attorney general (or other appropriate State official) of an affected State under paragraph (2)(B), without notice and the opportunity for a hearing as provided in rule 65(b) of the Federal Rules of Civil Procedure (except as provided in subsection (d)(3)), if the United States or the State, as applicable, demonstrates that there is probable cause to believe that the use of the Internet or other interactive computer service at issue violates this section.

''(B) HEARINGS.—A hearing requested concerning an order entered under this paragraph shall be held at the earliest practicable time.

''(d) INTERACTIVE COMPUTER SERVICE PROVIDERS.—

''(1) IMMUNITY FROM LIABILITY FOR USE BY ANOTHER.—

''(A) IN GENERAL.—An interactive computer service provider described in subparagraph (B) shall not be liable, under this section or any other provision of Federal or State law prohibiting or regulating gambling or gambling-related activities, for the use of its facilities or services by another person to engage in Internet gambling activity that violates such law—

''(i) arising out of any transmitting, routing, or providing of connections for gambling-related material or activity (including intermediate and temporary storage in the course of such transmitting, routing, or providing connections) by the provider, if—

''(I) the material or activity was initiated by or at the direction of a person other than the provider;

''(II) the transmitting, routing, or providing of connections is carried out through an automatic process without selection of the material or activity by the provider;

''(III) the provider does not select the recipients of the material or activity, except as an automatic response to the request of another person; and

''(IV) the material or activity is transmitted through the system or network of the provider without modification of its content; or

''(ii) arising out of any gambling-related material or activity at an online site residing on a computer server owned, controlled, or operated by or for the provider, or arising out of referring or linking users to an online location containing such material or activity, if the material or activity was initiated by or at the direction of a person other than the provider, unless the provider fails to take expeditiously, with respect to the particular material or activity at issue, the actions described in paragraph (2)(A) following the receipt by the provider of a notice described in paragraph (2)(B).

''(B) ELIGIBILITY.—An interactive computer service provider is described in this subparagraph only if the provider—

''(i) maintains and implements a written or electronic policy that requires the provider to terminate the account of a subscriber of its system or network expeditiously following the receipt by the provider of a notice described in paragraph (2)(B) alleging that such subscriber has violated or is violating this section; and

''(ii) with respect to the particular material or activity at issue, has not knowingly permitted its computer server to be used to engage in activity that the provider knows is prohibited by this section, with the specific intent that such server be used for such purpose.

''(2) NOTICE TO INTERACTIVE COMPUTER SERVICE PROVIDERS.—

''(A) IN GENERAL.—If an interactive computer service provider receives from a Federal or State law enforcement agency, acting within its authority and jurisdiction, a written or electronic notice described in subparagraph (B), that a particular online site residing on a computer server owned, controlled, or operated by or for the provider is being used by another person to violate this section, the provider shall expeditiously—

''(i) remove or disable access to the material or activity residing at that online site that allegedly violates this section; or

''(ii) in any case in which the provider does not control the site at which the subject material or activity resides, the provider, through any agent of the provider designated in accordance with section 512(c)(2) of title 17, or other responsible identified employee or contractor—

''(I) notify the Federal or State law enforcement agency that the provider is not the proper recipient of such notice; and

''(II) upon receipt of a subpoena, cooperate with the Federal or State law enforcement agency in identifying the person or persons who control the site.

''(B) NOTICE.—A notice is described in this subparagraph only if it—

''(i) identifies the material or activity that allegedly violates this section, and alleges that such material or activity violates this section;

''(ii) provides information reasonably sufficient to permit the provider to locate (and, as appropriate, in a notice issued pursuant to paragraph (3)(A) to block access to) the material or activity;

''(iii) is supplied to any agent of a provider designated in accordance with section 512(c)(2) of title 17, if information regarding such designation is readily available to the public;

''(iv) provides information that is reasonably sufficient to permit the provider to contact the law enforcement agency that issued the notice, including the name of the law enforcement agency, and the name and telephone number of an individual to contact at the law enforcement agency (and, if available, the electronic mail address of that individual); and

''(v) declares under penalties of perjury that the person submitting the notice is an official of the law enforcement agency described in clause (iv).

''(3) INJUNCTIVE RELIEF.—

''(A) IN GENERAL.—The United States, or a State law enforcement agency acting within its authority and jurisdiction, may, not less than 24 hours following the issuance to an interactive computer service provider of a notice described in paragraph (2)(B), in a civil action, obtain a temporary restraining order, or an injunction to prevent the use of the interactive computer service by another person in violation of this section.

''(B) LIMITATIONS.—Notwithstanding any other provision of this section, in the case of any application for a temporary restraining order or an injunction against an interactive computer service provider described in paragraph (1)(B) to prevent a violation of this section—

''(i) arising out of activity described in paragraph (1)(A)(i), the injunctive relief is limited to—

''(I) an order restraining the provider from providing access to an identified subscriber of the system or network of the interactive computer service provider, if the court determines that there is probable cause to believe that such subscriber is using that access to violate this section (or to engage with another person in a communication that violates this section), by terminating the specified account of that subscriber; and

''(II) an order restraining the provider from providing access, by taking reasonable steps specified in the order to block access, to a specific, identified, foreign online location;

''(ii) arising out of activity described in paragraph (1)(A)(ii), the injunctive relief is limited to—

''(I) the orders described in clause (i)(I);

''(II) an order restraining the provider from providing access to the material or activity that violates this section at a particular online site residing on a computer server operated or controlled by the provider; and

''(III) such other injunctive remedies as the court considers necessary to prevent or restrain access to specified material or activity that is prohibited by this section at a particular online location residing on a computer server operated or controlled by the provider, that are the least burdensome to the provider among the forms of relief that are comparably effective for that purpose.

''(C) CONSIDERATIONS.—The court, in determining appropriate injunctive relief under this paragraph, shall consider—

''(i) whether such an injunction, either alone or in combination with other such injunctions issued, and currently operative, against the same provider would significantly (and, in the case of relief under subparagraph (B)(ii), taking into account, among other factors, the conduct of the provider, unreasonably) burden either the provider or the operation of the system or network of the provider;

''(ii) whether implementation of such an injunction would be technically feasible and effective, and would not materially interfere with access to lawful material at other online locations;

''(iii) whether other less burdensome and comparably effective means of preventing or restraining access to the illegal material or activity are available; and

''(iv) the magnitude of the harm likely to be suffered by the community if the injunction is not granted.

''(D) NOTICE AND EX PARTE ORDERS.—Injunctive relief under this paragraph shall not be available without notice to the service provider and an opportunity for such provider to appear before the court, except for orders ensuring the preservation of evidence or other orders having no material adverse effect on the operation of the communications network of the service provider.

''(4) EFFECT ON OTHER LAW.—

''(A) IMMUNITY FROM LIABILITY FOR COMPLIANCE.—An interactive computer service provider shall not be liable for any damages, penalty, or forfeiture, civil or criminal, under Federal or State law for taking in good faith any action described in paragraph (2)(A) to comply with a notice described in paragraph (2)(B), or complying with any court order issued under paragraph (3).

''(B) DISCLAIMER OF OBLIGATIONS.—Nothing in this section may be construed to impose or authorize an obligation on an interactive computer service provider described in paragraph (1)(B)—

''(i) to monitor material or use of its service; or

''(ii) except as required by a notice or an order of a court under this subsection, to gain access to, to remove, or to disable access to material.

''(C) RIGHTS OF SUBSCRIBERS.—Nothing in this section may be construed to prejudice the right of a subscriber to secure an appropriate determination, as otherwise provided by law, in a Federal court or in a State or local tribunal or agency, that the account of such subscriber should not be terminated pursuant to this subsection, or should be restored.

''(e) AVAILABILITY OF RELIEF.—The availability of relief under subsections (c) and (d) shall not depend on, or be affected by, the initiation or resolution of any action under subsection (b), or under any other provision of Federal or State law.

''(f) APPLICABILITY.—

''(1) IN GENERAL.—Subject to paragraph (2), the prohibition in this section does not apply to—

''(A) any otherwise lawful bet or wager that is placed, received, or otherwise made wholly intrastate for a State lottery, or for a multi-State lottery operated jointly between 2 or more States in conjunction with State lotteries if—

''(i) each such lottery is expressly authorized, and licensed or regulated, under applicable State law;

''(ii) the bet or wager is placed on an interactive computer service that uses a private network;

''(iii) each person placing or otherwise making that bet or wager is physically located when such bet or wager is placed at a facility that is open to the general public; and

''(iv) each such lottery complies with sections 1301 through 1304, and other applicable provisions of Federal law;

''(B) any otherwise lawful bet or wager that is placed, received, or otherwise made on an interstate or intrastate basis on a live horse or a live dog race, or the sending, receiving, or inviting of information assisting in the placing of such a bet or wager, if such bet or wager, or the transmission of such information, as applicable, is—

''(i) expressly authorized, and licensed or regulated by the State in which such bet or wager is received, under applicable Federal and such State's laws;

''(ii) placed on a closed-loop subscriber-based service;

''(iii) initiated from a State in which betting or wagering on that same type of live horse or live dog racing is lawful and received in a State in which such betting or wagering is lawful;

''(iv) subject to the regulatory oversight of the State in which the bet or wager is received and subject by such State to minimum control standards for the accounting, regulatory inspection, and auditing of all such bets or wagers transmitted from 1 State to another; and

''(v) in the case of—

''(I) live horse racing, made in accordance with the Interstate Horse Racing Act of 1978 (15 U.S.C. 3001 et seq.); or

''(II) live dog racing, subject to consent agreements that are comparable to those required by the Interstate Horse Racing Act of 1978, approved by the appropriate State regulatory agencies, in the State receiving the signal, and in the State in which the bet or wager originates; or

''(C) any otherwise lawful bet or wager that is placed, received, or otherwise made for a fantasy sports league game or contest.

''(2) BETS OR WAGERS MADE BY AGENTS OR PROXIES.—

''(A) IN GENERAL.—Paragraph (1) does not apply in any case in which a bet or wager is placed, received, or otherwise made by the use of an agent or proxy using the Internet or an interactive computer service.

''(B) QUALIFICATION.—Nothing in this paragraph may be construed to prohibit the owner operator of a parimutuel wagering facility that is licensed by a State from employing an agent in the operation of the account wagering system owned or operated by the parimutuel facility.

''(3) ADVERTISING AND PROMOTION.—The prohibition of subsection (b)(1)(B) does not apply to advertising or promotion of any activity that is not prohibited by subsection (b)(1)(A).

''(g) RULE OF CONSTRUCTION.—Nothing in this section may be construed to affect any prohibition or remedy applicable to a person engaged in a gambling business under any other provision of Federal or State law.''.

(b) TECHNICAL AMENDMENT.—The analysis for chapter 50 of title 18, United States Code, is amended by adding at the end the following:

''1085. Internet gambling.''.

SEC. 3. REPORT ON ENFORCEMENT.

Not later than 3 years after the date of enactment of this Act, the Attorney General shall submit to Congress a report, which shall include—

(1) an analysis of the problems, if any, associated with enforcing section 1085 of title 18, United States Code, as added by section 2 of this Act;

(2) recommendations for the best use of the resources of the Department of Justice to enforce that section; and

(3) an estimate of the amount of activity and money being used to gamble on the Internet.

SEC. 4. SEVERABILITY.

If any provision of this Act, an amendment made by this Act, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this Act, the amendments made by this Act, and the application of this Act and the provisions of such amendments to any other person or circumstance shall not be affected thereby.

AMENDMENT NO. 2782

(Purpose: To provide a complete substitute)

Ms. COLLINS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Ms. COLLINS], for Mr. KYL, for himself and Mr. BRYAN, proposes an amendment numbered 2782.

Ms. COLLINS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

AMENDMENT NO. 2783 TO AMENDMENT NO. 2782

Ms. COLLINS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Ms. COLLINS], for Mr. CAMPBELL, proposes an amendment numbered 2783 to amendment No. 2782.

Ms. COLLINS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 35 of the Kyl-Bryan substitute, after line 18, insert the following:

(4) INDIAN GAMING.—

(A) IN GENERAL.—Subject to paragraph (2), the prohibition in this section does not apply to any otherwise lawful bet or wager that is placed, received, or otherwise made on any game that constitutes class II gaming or class III gaming (as those terms are defined in section 4 of the Indian Gaming Regulatory Act, 25 U.S.C. 2703), or the sending, receiving, or inviting of information assisting in the placing of any such bet or wager, as applicable, if—

(i) the game is permitted under and conducted in accordance with the Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.);

(ii) each person placing, receiving, or otherwise making such bet or wager, or transmitting such information, is physically located on Indian lands (as that term is defined in section 4 of Indian Gaming Regulatory Act, 25 U.S.C. 2703) when such person places, receives, or otherwise makes the bet or wager, or transmits such information;

(iii) the game is conducted on a closed-loop subscriber-based system or a private network; and

(iv) in the case of a game that constitutes class III gaming—

(I) the game is authorized under, and is conducted in accordance with, the respective Tribal-State compacts (entered into and approved pursuant to section 11(d) of the Indian Gaming Regulatory Act, 25 U.S.C. 2710) governing gaming activity on the Indian lands, in each respective State, on which each person placing, receiving, or otherwise making such bet or wager, or transmitting such information, is physically located when such person places, receives, or otherwise makes the bet or wager, or transmits such information; and

(II) each such Tribal-State compact expressly provides that the game may be conducted using the Internet or other interactive computer service only on a closed-loop subscriber-based system or a private network.

(B) ACTIVITIES UNDER EXISTING COMPACTS.—The requirement of subparagraph (A)(iv)(II) shall not apply in the case of gaming activity, otherwise subject to this section, that was being conducted on Indian lands on September 1, 1999, with the approval of the state gaming commission or like regulatory authority of the State in which such Indian lands are located, but without such required compact approval, until the date on which the compact governing gaming activity on

such Indian lands expires (exclusive of any automatic or discretionary renewal or extension of such compact), so long as such gaming activity is conducted using the Internet or other interactive computer service only on a closed-loop subscriber-based system or a private network. For purposes of this subparagraph, the phrase ''conducted on Indian lands'' shall refer to all Indian lands on which any person placing, receiving, or otherwise making a bet or wager, or sending, receiving, or inviting information assisting in the placing of a bet or wager, is physically located when such person places, receives, or otherwise makes the bet or wager, or sends, receives, or invites such information.

Mr. KYL. Mr. President, I rise in strong support of S. 692, the Internet Gambling Prohibition Act of 1999. As we move toward passage of this landmark legislation, I want to thank especially Senator BRYAN, the original cosponsor of S. 692, Senator FEINSTEIN, the ranking member of the Subcommittee on Technology, Terrorism, and Government Information, and Senator HATCH, the Chairman of the Judiciary Committee. I also want to acknowledge the role of Senator CAMPBELL in helping ensure that the legislation addressed issues of concern to Indian tribes, and Senator LEAHY, the ranking member of the Judiciary Committee, who helped advance S. 692 notwithstanding his differences with some of its features. Finally, I want to thank all of my colleagues who joined the legislation as cosponsors following its introduction.

S. 692 enjoys extraordinarily broad public support. Those supporting it—ranging from Federal and State law-enforcement authorities to religious, consumer, and family groups, from the professional and amateur sports leagues to the thoroughbred racing industry—are fully identified in the Judiciary Committee report accompanying the bill. I want to acknowledge, in particular, the support of the National Association of Attorneys General, the National Football League, and the National Collegiate Athletic Association, and the constructive role played by the American Horse Council, the Major League Baseball Players Association, and America Online, which spearheaded a coalition of Internet service providers and others interested in this legislation. I would particularly like to thank David Remes, Gerry Waldron, Marty Gold, Daniel Nestel, and Stephen Higgins, whose hard work and diplomatic skills played an important role in securing the passage of the bill by unanimous consent.

The bill we are voting on today, which the Judiciary Committee approved in June by a recorded vote of 16–1, is the culmination of efforts begun in the last Congress, when Senator BRYAN and I first introduced legislation to prohibit Internet gambling. That legislation, S. 474, was approved by the Judiciary Committee in August 1997 and passed by a 90–10 vote as an amendment to the Commerce-Justice-State appropriations bill in July 1998. The Subcommittee on Crime of the House Judiciary Committee held hearings on an Internet gambling bill in that the last Congress (H.R. 2380) and approved a revised version of the bill (H.R. 4427), but the House did not complete action on the legislation due to the lateness of the session, and the Senate language was not included in the final version of the appropriations measure. New legislation, similar to S. 692, has been introduced in the House in this Congress, and I am quite hopeful that Internet gambling legislation will be enacted into law early next year.

Mr. President, as documented in the Judiciary Committee's report, both the number of Internet gambling sites, and Internet gambling revenues, have grown rapidly since Internet gambling first appeared in the summer of 1995. Two studies cited by the National Gambling Impact Study Commission in its ''Final Report'' to Congress this summer indicate that Internet gambling revenues have doubled every year for the past three years. One study reported growth from $300 million in 1998 to $651 million in 1999, and projected revenues of $2.3 billion by 2001. Another study reported growth from $445.4 million in 1997 to $919.1 million in 1998. The Commission noted estimates by the Financial Times and Smith Barney that Internet gambling will reach annual revenues of $10 billion early in the new millennium. A third study cited by the Commission found that the number of online gamblers had increased from 6.9 million to 14.5 million between 1997 and 1998. According to the Commission, ''virtually all observers assume the rapid growth of Internet gambling will continue.''

It is no exaggeration to say that the Internet has brought gambling into every home that has purchased a computer and chosen to go online. According to the Department of Commerce, 26.2 percent of U.S. households had Internet access at the end of 1998, representing 27 million households. That percentage will undoubtedly continue to grow (millions of other U.S. households have computers but simply have not yet chosen to go online) until, not long from now, online home computers will be as commonplace as the humble telephone—which, like the telegraph before it, seemed as revolutionary and wondrous, in its day, as the Internet seems today.

As a new technology, the Internet presents new problems that current law must be updated to address. These problems, which S. 692 is designed to remedy, are extensively documented in the Judiciary Committee's report. They include, among others, serious harms to our young people, who are the most adept users of Internet; harms from gambling on professional and amateur sports events and athletic performances; and harms relating to pathological gambling and criminal activity. It is vital that we legislate to prevent the Internet from being used as an instrument of gambling and establish an effective mechanism—specifically tailored to this new medium—for enforcing that prohibition. In establishing such a mechanism, however, it is also important to avoid impeding or disrupting the use of the Internet as an instrument of lawful activity. I am confident that S. 602 meets these objectives. Moreover, the fact that the legislation is strongly supported by the chief law enforcement officers of the States is compelling evidence that it strikes the right balance between Federal and State authority in this area.

S. 692 creates a new section 1085 of title 18. It prohibits any person engaged in a gambling business from using the Internet to place, receive, or otherwise make a bet or wager, or to send, receive, or invite information assisting in the placing of a bet or wager, and it establishes mechanisms tailored to the Internet to enforce this prohibition. The new section provides criminal penalties for violations, authorizes civil enforcement proceedings by Federal and State authorities, and establishes mechanisms for requiring Internet service providers to terminate or block access to material or activity that violates the prohibition.

Because section 1085, as reported by the Judiciary Committee, is comprehensively analyzed in the Judiciary Committee's report, I will only describe its structure here. Section 1085(a) contains definitions. Section 1085(b) contains the prohibitions and criminal penalties. Section 1085(c) provides for civil actions by the United States and the States to prevent and restrain violations, applicable to persons other than Internet service providers. Section 1085(d) establishes responsibilities for Internet service providers, enforceable through civil injunction actions by Federal and State authorities, and grants providers specified immunities from liability. Section 1085(e) specifies that the availability of relief under subsections (c) and (d), which is civil in nature, is independent of any criminal action under subsection (b) or any other Federal or State law. Section 1085(f) specifies categories of activities that, if otherwise lawful, are not subject to the prohibition of subsection (b). This subsection addresses State lotteries, pari-mutuel animal wagering, Indian gaming, and fantasy sports league games and contests. Section 1085(f) specifically preserves the regulatory authority of the States with respect to gambling and gambling-related activities not subject to the prohibition of subsection (b), but nothing in section 1085 authorizes discriminatory or other action by a State that would otherwise violate the Commerce Clause. Section 1085(g) specifies that section 1085 does not create immunity from any criminal prosecution under any provision of Federal or State law, except as provided in subsection (d), and does not affect any prohibition or remedy applicable to a person engaged in a gambling business under any other provision of Federal or State law.

Mr. President, the bill we are voting on today has been modified in several

respects from the version reported by the Judiciary Committee. All but one of those modifications affect section 1085. The other affects section 3 of the bill, which calls for a report to Congress by the Department of Justice two years after enactment.

Proceedings by Sports Organizations. The bill has been amended by adding a new subparagraph (C) to section 1085(c)(2) to authorize a professional or amateur sports organization whose games, or the performances of whose athletes in such games, are alleged to be the basis of a violation of section 1085 to institute civil proceedings in an appropriate district court of the United States to prevent or restrain the violation. The right of action provided by this subparagraph is similar to the right of action for sports organizations provided in the Professional and Amateur Sports Protection Act, 28 U.S.C. 3701 et seq., which Congress passed in 1992 to halt the spread of legalized sports betting and S. 692 is intended to reinforce. The new subparagraph limits proceedings, by sports organizations against interactive computer service providers.

Advertising and promotion of Non-Internet Gambling. The bill has been amended by adding a new paragraph (4) to section 1085(d) to address the responsibilities and immunities of an Internet service provider relating to the use of its facilities by another person to advertise or promote non-online gambling. Paragraph (4) generally mirrors the approach of paragraph (1), which addresses the responsibilities and immunities of an Internet service provider relating to the use of its facilities by another person to engage in online gambling activity. Paragraph (4) provides that, if specified conditions are met, a provider shall not be liable, under any provision of Federal or State law prohibiting or regulating gambling or gambling-related activities, or under any State law prohibiting or regulating advertising and promotional activities, either (1) for content, provided by another person, that advertises or promotes non-Internet gambling activity that is unlawful under such Federal or State law, arising out of any of the activities described in section 1085(d)(1)(A)(i) or (ii); or (2) for content, provided by another person, that advertises or promotes non-Internet gambling activity that is lawful under both Federal law and the law of the State where the gambling activity is being conducted. To be eligible for immunity under paragraph (4), a provider must, among other things, offer residential customers at reasonable cost computer software, or another filtering or blocking system, that includes the capability of filtering or blocking access by minors to Internet gambling sites that violate section 1085. Paragraph (4) provides for injunctive relief under specified circumstances.

Horse Racing. The bill has been amended by adding language to subsection (f)(1)(B)(v)(I) to recognize, expressly, the authority of the State in which the bet or wager originates to prohibit or regulate the activity relating to live horse races described in subparagraph (B). this authority was implicit; the amendment makes it explicit.

Indian Gaming. The bill has been amended to address Indian gaming by adding a new paragraph (4) to section 1085(f). The new paragraph specifies that the prohibitions of section 1085 regarding the use of the Internet or other interactive computer service do not apply to any otherwise lawful bet or wager that is placed, received, or otherwise made on any game that constitutes class II gaming or class III gaming (as those terms are defined in the Indian Gaming Regulatory Act), or the sending, receiving, or inviting of information assisting in the placing of any such bet or wager, as applicable, if four conditions are met.

First, the game must be one that is permitted under and conducted in accordance with the Indian Gaming Regulatory Act.

Second, each person placing, receiving, or otherwise making such bet or wager, or transmitting (i.e., sending, receiving, or inviting) such information, must be physically located in a gaming facility on Indian lands when such person places, receives, or otherwise makes the bet or wager, or transmits such information.

Third, the game must be conducted on a closed-loop subscriber-based system or a private network.

Fourth, in the case of a game that constitutes class III gaming, the game must be authorized under, and be conducted in accordance with, the respective Tribal-State compacts that govern gaming activity on the Indian lands on which each person placing, receiving, or otherwise making such bet or wager, or transmitting such information, is physically located when such person places, receives, or otherwise makes the bet or wager, or transmits such information. In addition, each such Tribal-State compact must expressly provide that the game may be conducted using the Internet or other interactive computer service only on a closed-loop subscriber-based system or a private network.

To illustrate one application of the fourth condition, suppose that Person A, a player who is physically located on Indian lands in Florida, by using the Internet or other interactive computer service, places or makes a bet or wager with Person B, a person operating or employed by a casino who is physically located on Indian lands in Idaho. To be lawful under section 1085 in this illustration, the game, among other things, must be one that is expressly authorized (1) by the compact that governs gaming activity on the Indian lands in Florida on which Person A is physically located when he places or makes the bet or wager, and (2) by the compact that governs gaming activity on the Indian lands in Idaho on which Person B is physically located when the bet is placed, received, or otherwise made. In addition, both compacts must expressly provide such gaming activity may be conducted using the Internet or other interactive computer service only on a closed-loop subscriber-based system or a private network.

Paragraph (4) further provides that the requirement of compact language expressly allowing the game to be conducted using the Internet or other interactive computer service, if a closed-loop subscriber-based system or a private network is used, as set forth in paragraph (4)(A)(iv)(II), shall not apply in the case of gaming activity, otherwise subject to section 1085, that was being conducted on Indian lands using the Internet or other interactive computer service on September 1, 1999, with the approval of the State gaming commission or like regulatory authority of the State in which such Indian lands are located, but without the compact language required by paragraph (4)(A)(iv)(II). The exemption applies only until the date on which the compact governing gaming activity on such Indian lands expires (exclusive of any automatic or discretionary renewal or extension of such compact), and only to the extent that the gaming activity is conducted using the Interned or other interactive computer service on a closed-loop subscriber-based system or a private network. This exemption avoids the need to renegotiate compacts currently in effect if the specified conditions are satisfied. The exemption waives only the requirement of subparagraph (A)(iv)(II). It does not in any manner waive the compact authorization requirement of subparagraph (A)(iv)(I), the physical location requirement of subparagraph (A)(ii), the closed-loop or private network requirement of subparagraph (A)(iii), or any other requirement of subparagraph (A).

To use the previous illustration, if the compact that currently governs gaming on the Indian lands in Florida on which Person A is physically located when Person A places or makes the bet or wager does not expressly specify that the game may be conducted using the Internet or other interactive computer service (if a closed-loop subscriber-based system or a private network is used), the game may nevertheless be conducted on those Indian lands using the Internet or other interactive computer service (if a closed-loop subscriber-based system or a private network is used), notwithstanding section 1085, until that compact expires, if the game was one that was conducted on those Indian lands in Florida using the Internet or other interactive computer service on September 1, 1999, with the approval of the gaming commission or like regulatory authority of Florida. After the compact expires, however, any gaming

on those Indian lands using the Internet or other interactive computer service is subject to the requirement of express approval (limited to use of a closed-loop subscriber-based system or a private network) in subsequent compacts governing gaming activity on those Indian lands.

Rule of Construction. The bill has been amended by adding a new paragraph to section 1085(g) to make even more explicit that, except as provided in subsection (d), section 1085 does not create immunity from any criminal prosecution under any provision of Federal or State law. This amendment responds to a concern expressed by Senator LEAHY.

Report on Enforcement. Section 3 of S. 692 has been amended to require the Justice Department to include in the required report to Congress further information specified by the Gambling Impact Study Commission in its ''Final Report''.

Mr. President, S. 692 is urgently needed to address a serious social problem. It reflects the very best thinking on how to update existing law to meet the challenges of a new technology. I respectfully urge its passage.

Mr. LEAHY. Mr. President, I have long been an advocate for legislation that ensures that existing laws keep pace with developing technology. It is for this reason that I have sponsored and supported over the past few years a host of bills to bring us into the 21st Century.

This same impetus underlies my support of legislation to ensure our nation's gambling laws keep pace with developing technology, particularly the Internet. The Department of Justice has noted that ''the Internet has allowed for new types of electronic gambling, including interactive games such as poker or blackjack, that may not clearly be included within the types of gambling currently made illegal. . . .'' This new technology clearly has the potential to diminish the effectiveness of current gambling statutes.

Vermonters have spoken clearly that they do not want certain types of gambling permitted in our state, and they do not want current laws to be rendered obsolete by the Internet. Vermont Attorney General William Sorrell strongly supports federal legislation to address Internet gambling, as do other law enforcement officials in Vermont.

I believe, therefore, that there is considerable value in updating our federal gambling statutes, which is why I voted for S. 692, the ''Internet Gambling Prohibition Act,'' during Senate Judiciary Committee consideration. I support the bill as a step forward in our bipartisan efforts to make sure our federal laws continue to keep pace with emerging technologies.

I do, however, have concerns that S. 692 might unnecessarily weaken existing federal and state gambling laws.

My first concern is that the bill provides unnecessary exemptions from its Internet gambling ban for certain forms of gambling activities without a clear public policy justification. For example, the bill exempts parimutuel wagering on horse and dog racing from its ban on Internet gambling. The sponsors of S. 692 have offered no compelling reason for this special treatment of one form of gambling. Indeed, the Department of Justice is ''especially troubled by the broad exemptions given to parimutuel wagering, which essentially would make legal on the Internet types of parimutuel wagering that are not legal in the physical world,'' according to its June 9, 1999 views letter on S. 692.

Broad exemptions from the Internet gambling ban also contradict the recent recommendations to Congress of the National Gambling Impact Study Commission. After 2 years of taking testimony at hearings across the country, the Commission has endorsed the need for Federal legislation to prohibit Internet gambling. But the Commission clearly rejected adding new exemptions to the law in such a ban.

Indeed, in a letter to me dated June 15, 1999, Kay C. James, Chair, and William Bible, Commissioner, of the National Gambling Impact Study Commission, wrote:

> The Commission recommends to the President, Congress, and the Department of Justice (DOJ) that the Federal government should prohibit, *without allowing new exemptions or the expansion of existing federal exemptions to other jurisdictions,* Internet gambling not already authorized within the United States or among parties in the United States and any foreign jurisdiction. (emphasis in the original)

My second concern is that the bill unnecessarily creates a new section in our Federal gambling statutes, which may prove inconsistent with existing law and established legal precedent. Instead of updating section 1084 of title 18, which has prohibited interstate gambling through wire communications since 1961, S. 692 creates a new section 1085 to title 18 to cover Internet gambling only. Creating a new section out of whole cloth with different definitions and other provisions from existing Federal gambling statutes creates overlapping and inconsistent Federal gambling laws for no good reason.

According to its views letter on S. 692, the Department of Justice believes overlapping and inconsistent Federal gambling laws can be easily avoided by amending section 1084 of title 18 to cover Internet gambling:

> We therefore strongly recommend that Congress address the objective of this legislation through amending existing gambling laws, rather than creating new laws that specifically govern the Internet. Indeed, the Department of Justice believes that an amendment to section 1084 of title 18 could satisfy many of the concerns addressed in S. 692, as well as ensure that the same laws apply to gambling businesses, whether they operate over the Internet, the telephone, or some other instrumentality of interstate commerce.

I want to thank the sponsors of the legislation, Senators KYL and BRYAN, for addressing my third concern in their substitute amendment. I was concerned that the bill might unnecessarily create immunity from criminal prosecution under State law for Internet gambling. Any new immunity would have been in sharp contrast to existing Federal law, which specifically does not grant immunity from State prosecution for illegal gambling over wire communications.

To address this concern, the substitute amendment adds a new Rules of Construction section, section 2 (g)(1), which I authored. This section makes it clear that, except for the liability limits provided to Interactive Computer Service Providers in section 2 (d) of the bill, S. 692 does not provide any other immunity from Federal or State prosecution for illegal Internet gambling.

Indeed, the New York Attorney General recently prosecuted an offshore Internet gambling company, World Interactive Gaming Corporation, for targeting New York citizens in violation of State and Federal anti-gambling statutes. This past July, the New York State Supreme Court upheld that prosecution.

As a former State prosecutor in Vermont, I strongly believe that Congress should not tie the hands of our State crime-fighting partners in the battle against Internet gambling when we do not mandate Federal preemption of state criminal laws for other forms of illegal gambling. Instead, we need to foster effective Federal-State partnerships to combat illegal Internet gambling.

During our consideration of the Internet Gambling Prohibition Act in this Congress and the last, the sponsors of the bill and members of the Senate Judiciary Committee have improved and refined the bill on a bipartisan basis. The bill now applies only to gambling businesses, instead of individual betters. This will permit Federal authorities to target the prosecution of interstate gambling businesses, while rightly leaving the prosecution of individual bettors to the discretion of state authorities acting under state law.

As Senators continue to work together to enact a ban on Internet gambling, we should keep these words from the Department of Justice foremost in our minds: ''[A]ny prohibitions that are designed to prohibit criminal activity on the Internet must be carefully drafted to accomplish the legislation's objectives without stifling the growth of the Internet or chilling its use as a communication medium.''

I look forward to working with my colleagues on both sides of the aisle and the administration to enact into law carefully drafted legislation to update our Federal gambling statutes to ensure that new types of gambling activities made possible by emerging technologies are prohibited.

Mr. TORRICELLI. Mr. President, I express my deep appreciation and thanks to Senator KYL for his diligent

work to help resolve my concerns. This compromise is reflected in section 1085. This language is very important to permitting parimutuel wagering on horse racing to be exempted from the prohibition on Internet gambling that we are enacting.

The new language makes explicit which was implicit and assures that every State has the right to establish requirements for Internet and phone wagering that will best serve the public and governmental interests of the State and to do so, if it wishes, before such wagering takes place. I believe this is so important because it ensures that a State will have its traditional authority to safeguard the interests of its consumers and racing industry through the regulatory and approval process of proposed phone or Internet wagering.

Mr. CAMPBELL. Mr. President, today the Senate considers S. 692, entitled the ''Internet Gaming Prohibition Act.'' As my colleagues know, I support this measure but from the day this bill was introduced I have had concerns about its scope. As Chairman of the Committee on Indian Affairs I have been concerned that existing law, namely the Indian Gaming Regulatory Act, would be irreparably harmed unless we made certain changes to the bill.

This is an important bill and I support the intent of the bill's sponsors to make it more difficult for this kind of gaming to be conducted, particularly by underage players.

If enacted, this bill would prohibit Internet gambling, but make exceptions for certain segments of the gaming industry which currently use a variety of technologies to enhance traditional gaming.

It is important for my colleagues to realize that the bill does not prohibit all forms of gaming using available high-technology. When I reviewed S. 692 for the first time, I realized that certain gaming activities currently being conducted by Indian tribes would be prohibited by this bill.

My concerns centered on the fact that the same or similar activities were allowed to other entities—such as the states, the horse-racing industry and others—that were disallowed to tribes. This fundamental inequity is what led me to propose fair treatment for tribal governmental gaming.

In addition to issues of equity, the economic impacts of Indian gaming are substantial and should be acknowledged. These revenues provide an important source of development capital and jobs for many tribes across the country. Contrary to the views many here hold, Indian gaming is very highly regulated by federal, state and tribal officials, and has been subject to federal law for eleven years.

I addressed my concerns to the Senate Judiciary Committee in June of this year and began discussions on how best to address currently-legal Indian gaming in S. 692. My main concerns with drafting any language dealing with Indian gaming and the IGRA centered on the following requirements:

1. All gaming must be legal under current federal law;

2. All class III gaming (casino style) must be conducted pursuant to a tribal state compact; and

3. All aspects of the game must take place on Indian Lands (game, player, facility, server, etc.).

It is critical to note that there is no tribe in the U.S. that is currently offering online/Internet betting. Instead, several tribes currently use widely-available technology to broadcast bingo to numerous operations located on Indian lands or to link class III games for the purpose of determining an aggregate betting pool for the purpose of offering bigger prizes.

It is my understanding in supporting the substitute along with my amendment, that S. 692 allows tribes to continue their current practices regarding the use of technology to enhance the effectiveness and profitability of their operations, but does not authorize any tribe to operate betting on the Internet as it currently perceived by the general public.

The specific provisions of my amendment address all currently legal class II and class III gaming, as defined in the Indian Gaming Regulatory Act, 25 U.S.C. §2701 et seq.

Accordingly, for Indian gaming activities to not run afoul of the provisions of S. 692

1. The game must be conducted according to the requirements of IGRA.

2. All persons making or receiving a bet, or transmitting information regarding a bet must be on Indian lands. That means all aspects of the game must be located on tribal land, including the person playing the game, the actual machine which is the game, and any computer server which may be used to keep track of information relating to the play of the game. In the case of a satellite (which cannot be located on Indian land), all machinery used to receive the signal must be located on Indian land.

3. The game must be conducted on an interactive computer service which uses a closed-loop subscriber based service or a private network.

4. Where class III games are conducted, each tribe participating in a network must have a compact which authorizes games to be conducted using the technology described, that is, an interactive computer service which uses a closed-loop subscriber-based service or a private network. It is critical to understand that this means that a tribe must have a compact only in the state in which they are located, not that they compact with every state in which the network is located.

5. In jurisdictions where class III gaming is currently using technology to link games, but either have compacts which do not specifically authorize networked games, or that do authorize these games, but do not contain the specific authorization required in S. 692, the amendment allows them to continue the operations of those games until the expiration of their current compact. The current language addressing technology that is included in most compacts does not contain the exact terminology as defined in S. 692.

Additionally, there are other states where language that addresses the use of technology is not contained in the compact, but the state has consented to the use of technology. My amendment contains a ''grandfather clause'' for those operations, which will run until their compacts expire by their own terms. Once a tribe's compact expires, the compact must be renegotiated and will be required to contain language which conforms to the requirements of S. 692.

Contrary to the views of some, Indian tribes are not generally interested in operating games which are broadcast on the ''world wide web'' or the Internet, and in which a person sitting in their home may ''log on'' to a computer and begin placing bets.

Indian tribes are, however, interested in continuing the operation of the games they currently have, and which they have agreed with their states are legal. This amendment allows them to do just that.

Mr. FEINGOLD. Mr. President, I rise today to express my opposition to the Internet Gambling Prohibition Act of 1999. I voted against this bill when it was brought to the floor last year as an amendment to an appropriations bill and again this year when it came through the Judiciary Committee.

I am pleased to see that Senator KYL was able to reach an agreement with Senator CAMPBELL and others to address Indian gaming issues. The bill's special treatment of certain forms of gambling was one of the reasons I voted against this bill when it was before the Judiciary Committee. It allowed state lotteries, fantasy sports leagues, and horse and dog track racing to continue to operate over the Internet, but prohibited use of the Internet for Indian gaming, which is expressly authorized by federal law. Under Senator CAMPBELL's amendment to S. 692, Indian gaming can continue to operate over the Internet under certain circumstances.

While I am glad to see the Indian gaming issue addressed, I nevertheless remain concerned with the fact that this bill singles out one emerging technology, the Internet, to try to attack the broad, complex social problems associated with gambling. The Internet is an evolving technology, and its full potential as a medium of expression has not been reached. While I share some of the concerns about the dangers of gambling that have inspired the sponsors of this legislation, I am reluctant to start down the path of restricting the use of the Internet for any particular lawful purpose. Once we have prohibited gambling on the Internet, what will be the next on-line activity that we will try

to ban? We need to be very careful not to create a precedent that might stifle the commercial and educational development of this very exciting technological tool with unhealthy implications for the First Amendment. I fear that this bill starts us down a road in that direction.

Mr. President, in light of the expressed sentiment of this body last year, I did not object to the unanimous consent request to pass this bill in the closing days of this session, but I would like the record to reflect my continuing opposition to this bill.

Thank you. I yield the floor.

Ms. COLLINS. Mr. President, I ask unanimous consent that the amendments be agreed to, the substitute amendment be agreed to, as amended, the bill be read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

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

The amendment (No. 2783) was agreed to.

The amendment (No. 2782) was agreed to.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The bill (S. 692), as amended, was read the third time and passed, as follows:

[The bill was not available for printing. It will appear in a future edition of the RECORD.]

DATE-RAPE DRUG CONTROL ACT OF 1999

Ms. COLLINS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 416, S. 1561.

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

The legislative clerk read as follows:

A bill to amend the Controlled Substance Act to add gamma hydroxybutyric acid and ketamine to the schedules of control substances, to provide for a national awareness campaign, and for other purposes.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on the Judiciary, with amendments as follows:

[Matter proposed to be deleted is enclosed in black brackets; new matter is printed in italic.]

S. 1516

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 ''Date-Rape Drug Control Act of 1999''.]

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Hillory J. Farias and Samantha Reid Date-Rape Drug Prohibition Act of 1999''.

SEC. 2. FINDINGS.

Congress finds as follows:

(1) Gamma hydroxybutyric acid (also called G, Liquid X, Liquid Ecstasy, Grievous Bodily Harm, Georgia Home Boy, Scoop) has become a significant and growing problem in law enforcement. At least 20 States have scheduled such drug in their drug laws and law enforcement officials have been experiencing an increased presence of the drug in driving under the influence, sexual assault, and overdose cases especially at night clubs and parties.

(2) A behavioral depressant and a hypnotic, gamma hydroxybutyric acid (''GHB'') is being used in conjunction with alcohol and other drugs with detrimental effects in an increasing number of cases. It is difficult to isolate the impact of such drug's ingestion since it is so typically taken with an ever-changing array of other drugs and especially alcohol which potentiates its impact.

(3) GHB takes the same path as alcohol, processes via alcohol dehydrogenase, and its symptoms at high levels of intake and as impact builds are comparable to alcohol ingestion/intoxication. Thus, aggression and violence can be expected in some individuals who use such drug.

(4) If taken for human consumption, common industrial chemicals such as gamma butyrolactone and 1.4-butanediol are swiftly converted by the body into GHB. Illicit use of these and other GHB analogues and precursor chemicals is a significant and growing law enforcement problem.

(5) A human pharmaceutical formulation of gamma hydroxybutyric acid is being developed as a treatment for cataplexy, a serious and debilitating disease. Cataplexy, which causes sudden and total loss of muscle control, affects about 65 percent of the estimated 180,000 Americans with narcolepsy, a sleep disorder. People with cataplexy often are unable to work, drive a car, hold their children or live a normal life.

(6) Abuse of illicit GHB is an imminent hazard to public safety that requires immediate regulatory action under the Controlled Substances Act (21 U.S.C. 801 et seq.).

[SEC. 3. ADDITION OF GAMMA HYDROXYBUTYRIC ACID AND KETAMINE TO SCHEDULES OF CONTROLLED SUBSTANCES; GAMMA BUTYROLACTONE AS ADDITIONAL LIST I CHEMICAL.

[(a) ADDITION TO SCHEDULE I.—

[(1) IN GENERAL.—Section 202(c) of the Controlled Substances Act (21 U.S.C. 812(c)) is amended by adding at the end of schedule I the following:

[''(d) Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation, which contains any quantity of the following substance having a depressant effect on the central nervous system, or which contains any of their salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:

[''(1) Gamma hydroxybutyric acid.''.

[(2) SECURITY OF FACILITIES.—For purposes of any requirements that relate to the physical security of registered manufacturers and registered distributors, gamma hydroxybutyric acid and its salts, isomers, and salts of isomers manufactured, distributed, or possessed in accordance with an exemption approved under section 505(i) of the Federal Food, Drug, and Cosmetic Act shall be treated as a controlled substance in schedule III under section 202(c) of the Controlled Substances Act.

[(b) ADDITION TO SCHEDULE III.—Schedule III under section 202(c) of the Controlled Substances Act (21 U.S.C. 812(c)) is amended in (b)—

[(1) by redesignating (4) through (10) as (6) through (12), respectively; and

[(2) by redesignating (3) as (4);

[(3) by inserting after (2) the following:

[''(3) Gamma hydroxybutyric acid and its salts, isomers, and salts of isomers contained in a drug product for which an application has been approved under section 505 of the Federal Food, Drug, and Cosmetic Act.''; and

[(4) by inserting after (4) (as so redesignated) the following:

[''(5) Ketamine and its salts, isomers, and salts of isomers.''.

[(c) ADDITIONAL LIST I CHEMICAL.—Section 102(34) of the Controlled Substances Act (21 U.S.C. 802(34)) is amended—

[(1) by redesignating subparagraph (X) as subparagraph (Y); and

[(2) by inserting after subparagraph (W) the following subparagraph:

[''(X) Gamma butyrolactone.''.

[(d) RULE OF CONSTRUCTION REGARDING CONTROLLED SUBSTANCE ANALOGUES.—Section 102(32) of the Controlled Substances Act (21 U.S.C. 802(32)) is amended—

[(1) in subparagraph (A), by striking ''subparagraph (B)'' and inserting ''subparagraph (C)'';

[(2) by redesignating subparagraph (B) as subparagraph (C); and

[(3) by inserting after subparagraph (A) the following new subparagraph (B):

[''(B) The designation of gamma butyrolactone or any other chemical as a listed chemical pursuant to paragraph (34) or (35) does not preclude a finding pursuant to subparagraph (A) that the chemical is a controlled substance analogue.''.

[(e) PENALTIES REGARDING SCHEDULE I.—

[(1) IN GENERAL.—Section 401(b)(1)(C) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(C)) is amended in the first sentence by inserting after ''schedule I or II,'' the following: ''gamma hydroxybutyric acid in schedule III,''.

[(2) CONFORMING AMENDMENT.—Section 401(b)(1)(D) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(D)) is amended by inserting ''(other than gamma hydroxybutyric acid)'' after ''schedule III''.

[(f) DISTRIBUTION WITH INTENT TO COMMIT CRIME OF VIOLENCE.—Section 401(b)(7)(A) of the Controlled Substances Act (21 U.S.C. 841(b)(7)(A)) is amended by inserting ''or controlled substance analogue'' after ''distributing a controlled substance''.]

SEC. 3. EMERGENCY SCHEDULING OF GAMMA HYDROXYBUTYRIC ACID AND LISTING OF GAMMA BUTYROLACTONE AS LIST I CHEMICAL.

(a) EMERGENCY SCHEDULING OF GHB.—

(1) IN GENERAL.—The Congress finds that the abuse of illicit gamma hydroxybutyric acid is an imminent hazard to the public safety. Accordingly, the Attorney General, notwithstanding sections 201(a), 201(b), 201(c), and 202 of the Controlled Substances Act, shall issue, not later than 60 days after the date of the enactment of this Act, a final order that schedules such drug (together with its salts, isomers, and salts of isomers) in the same schedule under section 202(c) of the Controlled Substances Act as would apply to a scheduling of a substance by the Attorney General under section 201(h)(1) of such Act (relating to imminent hazards to the public safety), except as follows:

(A) For purposes of any requirements that relate to the physical security of registered manufacturers and registered distributors, the final order shall treat such drug, when the drug is manufactured, distributed, or possessed in accordance with an exemption under section 505(i) of the Federal Food, Drug, and Cosmetic Act (whether the exemption involved is authorized before, on, or after the date of the enactment of this Act), as being in the same schedule as that recommended by the Secretary of Health and Human Services for the drug when the drug is the subject of an authorized investigational new drug application (relating to such section 505(i)). The recommendation referred to in the preceding sentence is contained in the first paragraph of the letter transmitted on May 19, 1999, by such Secretary (acting through the Assistant Secretary for Health) to the Attorney

General (acting through the Deputy Administrator of the Drug Enforcement Administration), which letter was in response to the letter transmitted by the Attorney General (acting through such Deputy Administrator) on September 16, 1997. In publishing the final order in the Federal Register, the Attorney General shall publish a copy of the letter that was transmitted by the Secretary of Health and Human Services.

(B) In the case of gamma hydroxybutyric acid that is contained in a drug product for which an application is approved under section 505 of the Federal Food, Drug, and Cosmetic Act (whether the application involved is approved before, on, or after the date of the enactment of this Act), the final order shall schedule such drug in the same schedule as that recommended by the Secretary of Health and Human Services for authorized formulations of the drug. The recommendation referred to in the preceding sentence is contained in the last sentence of the fourth paragraph of the letter referred to in subparagraph (A) with respect to May 19, 1999.

(2) FAILURE TO ISSUE ORDER.—If the final order is not issued within the period specified in paragraph (1), gamma hydroxybutyric acid (together with its salts, isomers, and salts of isomers) is deemed to be scheduled under section 202(c) of the Controlled Substances Act in accordance with the policies described in paragraph (1), as if the Attorney General had issued a final order in accordance with such paragraph.

(b) ADDITIONAL PENALTIES RELATING TO GHB.—

(1) CONTROLLED SUBSTANCES ACT.—

(A) IN GENERAL.—Section 401(b)(1)(C) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(C)) is amended in the first sentence by inserting after ''schedule I or II,'' the following: ''gamma hydroxybutyric acid (including when scheduled as an approved drug product for purposes of section 3(a)(1)(B) of the Hillory J. Farias and Samantha Reid Date-Rape Drug Prohibition Act of 1999),''.

(B) CONFORMING AMENDMENT.—Section 401(b)(1)(D) of the Controlled Substances Act (21 U.S.C. 841(b)(1)(D)) is amended by striking '', or 30'' and inserting ''(other than gamma hydroxybutyric acid), or 30''.

(2) CONTROLLED SUBSTANCES IMPORT AND EXPORT ACT.—

(A) IN GENERAL.—Section 1010(b)(3) of the Controlled Substances Import and Export Act (21 U.S.C. 960(b)(3)) is amended in the first sentence by inserting after ''I or II,'' the following: ''gamma hydroxybutyric acid (including when scheduled as an approved drug product for purposes of section 3(a)(1)(B) of the Hillory J. Farias and Samantha Reid Date-Rape Drug Prohibition Act of 1999),''.

(B) CONFORMING AMENDMENT.—Section 1010(b)(4) of the Controlled Substances Import and Export Act (21 U.S.C. 960(b)(4)) is amended by striking ''flunitrazepam)'' and inserting the following: ''flunitrazepam and except a violation involving gamma hydroxybutyric acid)''.

(c) GAMMA BUTYROLACTONE AS ADDITIONAL LIST I CHEMICAL.—Section 102(34) of the Controlled Substances Act (21 U.S.C. 802(34)) is amended—

(1) by redesignating subparagraph (X) as subparagraph (Y); and

(2) by inserting after subparagraph (W) the following subparagraph:

''(X) Gamma butyrolactone.''.

SEC. 4. AUTHORITY FOR ADDITIONAL REPORTING REQUIREMENTS FOR GAMMA HYDROXYBUTYRIC PRODUCTS IN SCHEDULE III.

Section 307 of the Controlled Substances Act (21 U.S.C. 827) is amended by adding at the end the following:

''(h) In the case of a drug product containing gamma hydroxybutyric acid for which an application has been approved under section 505 of the Federal Food, Drug, and Cosmetic Act, the Attorney General may, in addition to any other requirements that apply under this section with respect to such a drug product, establish any of the following as reporting requirements:

''(1) That every person who is registered as a manufacturer of bulk or dosage form, as a packager, repackager, labeler, relabeler, or distributor shall report acquisition and distribution transactions quarterly, not later than the 15th day of the month succeeding the quarter for which the report is submitted, and annually report end-of-year inventories.

''(2) That all annual inventory reports shall be filed no later than January 15 of the year following that for which the report is submitted and include data on the stocks of the drug product, drug substance, bulk drug, and dosage forms on hand as of the close of business December 31, indicating whether materials reported are in storage or in process of manufacturing.

''(3) That every person who is registered as a manufacturer of bulk or dosage form shall report all manufacturing transactions both inventory increases, including purchases, transfers, and returns, and reductions from inventory, including sales, transfers, theft, destruction, and seizure, and shall provide data on material manufactured, manufactured from other material, use in manufacturing other material, and use in manufacturing dosage forms.

''(4) That all reports under this section must include the registered person's registration number as well as the registration numbers, names, and other identifying information of vendors, suppliers, and customers, sufficient to allow the Attorney General to track the receipt and distribution of the drug.

''(5) That each dispensing practitioner shall maintain for each prescription the name of the prescribing practitioner, the prescribing practitioner's Federal and State registration numbers, with the expiration dates of these registrations, verification that the prescribing practitioner possesses the appropriate registration to prescribe this controlled substance, the patient's name and address, the name of the patient's insurance provider and documentation by a medical practitioner licensed and registered to prescribe the drug of the patient's medical need for the drug. Such information shall be available for inspection and copying by the Attorney General.

''(6) That section 310(b)(3) (relating to mail order reporting) applies with respect to gamma hydroxybutyric acid to the same extent and in the same manner as such section applies with respect to the chemicals and drug products specified in subparagraph (A)(i) of such section.''.

[SEC. 5. DEVELOPMENT OF FORENSIC FIELD TESTS FOR GAMMA HYDROXYBUTYRIC ACID.

[The Attorney General shall make a grant for the development of forensic field tests to assist law enforcement officials in detecting the presence of gamma hydroxybutyric acid and related substances.]

SEC. 5. CONTROLLED SUBSTANCES ANALOGUES.

(a) RULE OF CONSTRUCTION REGARDING CONTROLLED SUBSTANCE ANALOGUES.—Section 102(32) of the Controlled Substances Act (21 U.S.C. 802(32)) is amended—

(1) in subparagraph (A), by striking ''subparagraph (B)'' and inserting ''subparagraph (C)'';

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph (B):

''(B) The designation of gamma butyrolactone or any other chemical as a listed chemical pursuant to paragraph (34) or (35) does not preclude a finding pursuant to subparagraph (A) of this paragraph that the chemical is a controlled substance analogue.''.

(b) DISTRIBUTION WITH INTENT TO COMMIT CRIME OF VIOLENCE.—Section 401(b)(7)(A) of the Controlled Substances Act (21 U.S.C. 841(b)(7)(A)) is amended by inserting ''or controlled substance analogue'' after ''distributing a controlled substance''.

SEC. 6. DEVELOPMENT OF MODEL PROTOCOLS, TRAINING MATERIALS, FORENSIC FIELD TESTS, AND COORDINATION MECHANISM FOR INVESTIGATIONS AND PROSECUTIONS RELATING TO GAMMA HYDROXYBUTYRIC ACID, OTHER CONTROLLED SUBSTANCES, AND DESIGNER DRUGS.

(a) IN GENERAL.— The Attorney General, in consultation with the Administrator of the Drug Enforcement Administration and the Director of the Federal Bureau of Investigation, shall—

(1) develop—

(A) model protocols for the collection of toxicology specimens and the taking of victim statements in connection with investigations into and prosecutions related to possible violations of the Controlled Substances Act or other Federal or State laws that result in or contribute to rape, other crimes of violence, or other crimes involving abuse of gamma hydroxybutyric acid, other controlled substances, or so-called ''designer drugs''; and

(B) model training materials for law enforcement personnel involved in such investigations; and

(2) make such protocols and training materials available to Federal, State, and local personnel responsible for such investigations.

(b) GRANT.—

(1) IN GENERAL.—The Attorney General shall make a grant, in such amount and to such public or private person or entity as the Attorney General considers appropriate, for the development of forensic field tests to assist law enforcement officials in detecting the presence of gamma hydroxybutyric acid and related substances.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this subsection.

(c) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Attorney General shall submit to the Committees on the Judiciary of the Senate and House of Representatives a report on current mechanisms for coordinating Federal, State, and local investigations into and prosecutions related to possible violations of the Controlled Substances Act or other Federal or State laws that result in or contribute to rape, other crimes of violence, or other crimes involving the abuse of gamma hydroxybutyric acid, other controlled substances, or so-called ''designer drugs''. The report shall also include recommendations for the improvement of such mechanisms.

[SEC. 6. ANNUAL REPORT REGARDING DATE-RAPE DRUGS; NATIONAL AWARENESS CAMPAIGN.]

SEC. 7. ANNUAL REPORT REGARDING DATE-RAPE DRUGS; NATIONAL AWARENESS CAMPAIGN.

(a) ANNUAL REPORT.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall periodically submit to Congress reports each of which provides an estimate of the number of incidents of the abuse of date-rape drugs (as defined in subsection (c)) that occurred during the most recent one-year period for which data are available. The first such report shall be submitted not later than January 15, 2000, and subsequent reports shall be submitted annually thereafter.

(b) NATIONAL AWARENESS CAMPAIGN.—

(1) DEVELOPMENT OF PLAN; RECOMMENDATIONS OF ADVISORY COMMITTEE.—

(A) IN GENERAL.—The Secretary, in consultation with the Attorney General, shall

develop a plan for carrying out a national campaign to educate individuals described in subparagraph (B) on the following:

(i) The dangers of date-rape drugs.

(ii) The applicability of the Controlled Substances Act to such drugs, including penalties under such Act.

(iii) Recognizing the symptoms that indicate an individual may be a victim of such drugs, including symptoms with respect to sexual assault.

(iv) Appropriately responding when an individual has such symptoms.

(B) INTENDED POPULATION.—The individuals referred to in subparagraph (A) are young adults, youths, law enforcement personnel, educators, school nurses, counselors of rape victims, and emergency room personnel in hospitals.

(C) ADVISORY COMMITTEE.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall establish an advisory committee to make recommendations to the Secretary regarding the plan under subparagraph (A). The committee shall be composed of individuals who collectively possess expertise on the effects of date-rape drugs and on detecting and controlling the drugs.

(2) IMPLEMENTATION OF PLAN.—Not later than 180 days after the date on which the advisory committee under paragraph (1) is established, the Secretary, in consultation with the Attorney General, shall commence carrying out the national campaign under such paragraph in accordance with the plan developed under such paragraph. The campaign may be carried out directly by the Secretary and through grants and contracts.

(3) EVALUATION BY GENERAL ACCOUNTING OFFICE.—Not later than two years after the date on which the national campaign under paragraph (1) is commenced, the Comptroller General of the United States shall submit to Congress an evaluation of the effects with respect to date-rape drugs of the national campaign.

(c) DEFINITION.—For purposes of this section, the term ''date-rape drugs'' means gamma hydroxybutyric acid and its salts, isomers, and salts of isomers and such other drugs or substances as the Secretary, after consultation with the Attorney General, determines to be appropriate.

SEC. 8. SPECIAL UNIT IN DRUG ENFORCEMENT ADMINISTRATION FOR ASSESSMENT OF ABUSE AND TRAFFICKING OF GHB AND OTHER CONTROLLED SUBSTANCES AND DRUGS.

(a) ESTABLISHMENT.—Not later than 60 days after the date of the enactment of this Act, the Attorney General shall establish within the Operations Division of the Drug Enforcement Administration a special unit which shall assess the abuse of and trafficking in gamma hydroxybutyric acid, flunitrazepam, ketamine, other controlled substances, and other so-called ''designer drugs'' whose use has been associated with sexual assault.

(b) PARTICULAR DUTIES.—In carrying out the assessment under subsection (a), the special unit shall—

(1) examine the threat posed by the substances and drugs referred to in that subsection on a national basis and regional basis; and

(2) make recommendations to the Attorney General regarding allocations and reallocations of resources in order to address the threat.

(c) REPORT ON RECOMMENDATIONS.—

(1) REQUIREMENT.—Not later than 180 days after the date of the enactment of this Act, the Attorney General shall submit to the Committees on the Judiciary of the Senate and House of Representatives a report which shall—

(A) set forth the recommendations of the special unit under subsection (b)(2): and

(B) specify the allocations and reallocations of resources that the Attorney General proposes to make in response to the recommendations.

(2) TREATMENT OF REPORT.—Nothing in paragraph (1) may be construed to prohibit the Attorney General or the Administrator of the Drug Enforcement Administration from making any reallocation of existing resources that the Attorney General or the Administrator, as the case may be, considers appropriate.

SEC. 9. TECHNICAL AMENDMENT.

Section 401 of the Controlled Substances Act (21 U.S.C. 841) is amended by redesignating subsections (d), (e), (f), and (g) as subsections (c), (d), (e), and (f), respectively.

Amend the title so as to read: ''An Act to amend the Controlled Substances Act to direct the emergency scheduling of gamma hydroxybutyric acid, to provide for a national awareness campaign, and for other purposes.''.

AMENDMENT NO. 2784

(Purpose: To modify the short title)

Ms. COLLINS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Ms. COLLINS], for Mrs. HUTCHISON, proposes an amendment numbered 2784.

Ms. COLLINS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 1, beginning on line 4, strike ''Samantha Reid and Hillory J. Farias'' and insert ''Hillory J. Farias and Samantha Reid''.

On page 6, line 21, strike ''Samantha Reid and Hillory J. Farias'' and insert ''Hillory J. Farias and Samantha Reid''.

On page 7, line 12, strike ''Samantha Reid and Hillory J. Farias'' and insert ''Hillory J. Farias and Samantha Reid''.

Ms. COLLINS. Mr. President, I ask unanimous consent that the amendment be agreed to, the committee amendment, as amended, be agreed to, and the bill be read the third time. I further ask unanimous consent that the Senate proceed to the consideration of the House companion bill, H.R. 2130, all after the enacting clause be stricken and the text of S. 1561, as amended, be inserted in lieu thereof. I further ask that the bill be read the third time and passed, the motion to reconsider be laid upon the table, the amendment to the title be agreed to, and that any statements relating to the bill be printed in the RECORD. Finally, I ask that S. 1561 be placed back on the calendar.

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

The amendment (No. 2784) was agreed to.

The committee amendments, as amended, were agreed to.

The bill (H.R. 2130), as amended, was read the third time and passed.

The title was amended so as to read: ''An Act to amend the Controlled Substances Act to direct the emergency scheduling of gamma hydroxybutyric acid, to provide for a national awareness campaign, and for other purposes.''

Ms. COLLINS. Mr. President, I yield to the distinguished Senator from Michigan, Mr. ABRAHAM, who has been a real leader on this bill, for any comments he might have.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. ABRAHAM. Mr. President, I wanted to make a few comments about the legislation we are about to pass. Before I do so, I would like to thank a number of people for their help in this effort.

First, I would like to thank my colleagues who cosponsored this legislation: Senators FEINSTEIN, LIEBERMAN, DEWINE, GRASSLEY, COVERDELL, and GRAHAM. Their support was crucial to moving forward with this bill and doing so in a timely fashion. Second, I would like to thank Senator HATCH, his Judiciary Chief Counsel Manus Cooney, his Deputy Chief Counsel Sharon Prost, his Chief of Staff Patricia Knight, and Bruce Artim and Pattie DeLoatche, all of whose commitment to seeing this effort through to fruition I appreciate both for the advice and guidance they provided and as the act of friendship I recognize it to be. Third, I would like to thank Senator BIDEN and his staff, especially Marcia Lee, whose assistance and cooperation in working out a final version of this bill acceptable to all involved, including the Administration, was indispensable. I would also like to thank my good friend Fred Upton, who first brought the serious problem that is the focus of this legislation to my attention, and Congressman BLILEY and his able staff, especially John Manthei, who patiently tolerated and assisted with the vagaries of bicameral legislative drafting. Finally, I would like to thank my own staff, especially my Subcommittee General Counsel Chase Hutto, who worked tirelessly and creatively on this effort, and Lee Otis, my Subcommittee Chief Counsel.

S. 1561, and its counterpart, H.R. 2130, are named for a young woman by the name of Samantha Reid. Samantha was born in the Henry Ford Hospital in Detroit on January 2, 1984. She grew up in Lincoln Park. She played trumpet in her elementary school band. She was a girl scout for eight years, with the help of her mother, Judi Clark, who was a troop leader. She was an ''all star'' 6th grade baseball player. She went on to attend Carlson High School in Gibraltar, where she played freshman basketball. Her favorite restaurant was McDonald's, and her favorite meal there was a Big Mac. She loved to go to Cedar Point Amusement Park, and got mad if she couldn't go at least twice a year. She earned her spending money by helping around the house with chores and babysitting, and indeed, on February 11, 1995, she earned an award for outstanding performance in completing babysitting training from the City of Lincoln Park. Her mother called her ''Hammy Sammy'' because of the way she always smiled in pictures. Her older brother Charles Reid, who is 18, remembers and misses her loud voice.

On January 17, 1999, Samantha died a few weeks after turning 15. She and two friends, none of them yet 16, were at a party given by a 25 year-old man in Woodhaven, Michigan. Samantha Reid drank a Mountain Dew—a soft drink—and passed out within minutes. She vomited in her sleep, and she died. Her friend, Melanie Sindone, also 15, passed out as well. Melanie lapsed into a coma, but she has survived.

These two girls had no reason to believe that they were drinking anything dangerous. But they were wrong. Their drinks had been laced with the drug GHB, commonly known as a ''date rape drug.'' Samantha was undoubtedly slipped it for the purpose that this name suggests, although she died before that purpose was accomplished.

Mr. President, GHB and its analogues are becoming increasingly common in our nation. They are finding their way into nightclubs, onto campuses and into homes. They are being used by sexual predators against young—sometimes very young—women. Their unwitting victims may be raped, become violently ill, and even die.

GHB is especially dangerous because it is relatively easy to produce. According to the DEA, the clandestine synthesis involves the use of two common, non-regulated chemicals: gamma-butyrolactone (GBL), the primary precursor chemical, and sodium hydroxide (lye). GBL is a solvent with a wide range of industrial uses. Tens of thousands of metric tons are produced annually and it is readily available from chemical supply companies. The synthesis is a simple one-pot method requiring no special chemical expertise. In addition, kits for making GHB containing GBL and sodium hydroxide are being sold on the Internet. GBL, once absorbed from the gastrointestinal tract after oral administration, is readily converted to GHB in the body and produces the same profile of physiological and behavioral effects as GHB. The combination of the ease with which GHB can be produced and widespread ignorance about GHB's dangers especially among our nation's youth has led the law enforcement community to view GHB as a serious and growing threat.

The Controlled Substances Act provides an administrative mechanism for the Attorney General, in consultation with the Secretary of HHS, to place dangerous substances susceptible of abuse on a ''schedule'' of controlled substances, thereby restricting access to them and imposing criminal penalties for their illicit sale and manufacture. The Attorney General and the Secretary are in agreement that GHB should in fact be scheduled, but they are in disagreement over which schedule it should be placed on. This is because GHB is currently under investigational use as a means of treating narcolepsy and cataplexy, afflictions affecting about 70,000 Americans, and HHS has been understandably reluctant to agree that GHB belongs on Schedule I or II, which would carry the most serious penalties for illicit sale, because the security requirements that would accompany such scheduling would interfere with this medical research. On the other hand, the DEA has been understandably reluctant to agree to any lesser scheduling, because the result would be lower penalties for the unauthorized sale and distribution of this drug. Moreover, under the Controlled Substances Act, the fact that GHB is under investigation for possible medical use precludes the Attorney General from using her emergency authority to schedule it as an ''imminent hazard to the public safety.''

The result has been an administrative deadlock that has resulted in a complete failure to schedule GHB at all. Hence legislative intervention is needed.

This legislation has been drafted as a specific response to these various competing considerations, which the current scheduling categories are not all that well suited to handle in any event. Notwithstanding the current investigational medical use, the legislation determines that GHB is an imminent hazard to public safety. It therefore directs the Attorney General to place it on the schedule on which imminent hazards are ordinarily placed, which is Schedule I. It relaxes the physical security requirements that would ordinarily apply to Schedule I substances for the investigational medical uses of the drug, however, following the recommendation of the Secretary of HHS on what is appropriate in that area and thereby avoiding interfering with the ongoing research. It also makes clear that should this research pay off with a drug that the FDA approves because it concludes that it can responsibly be prescribed to treat narcolepsy, cataplexy, or other diseases, the FDA approved drug will be classified as a Schedule III drug, although the Attorney General can impose additional record keeping requirements to help assure that it is not diverted to improper uses. Finally, anyone involved in selling or distributing the diverted product will be subject to the same tough ''Schedule I'' penalties that apply to the sale or distribution of the illicit or unapproved drug.

In practice, this means that while medical research will continue unhampered by the most cumbersome consequences of placing this drug in Schedule I, the harsh penalties provided for the sale, manufacture, and distribution of all Schedule I substances will apply to any and all illicit trafficking in GHB, whether the drug originated in a bathtub or a medical facility. This means that traffickers will be subject to a 20 year statutory maximum for distributing this drug, and that if, as in the case of Samantha Reid, the drug is slipped to someone who dies, or if it is slipped to someone who is raped or suffers serious bodily injury, that 20 year maximum become a 20 year minimum.

This legislation also addresses three other major problems society has had in responding to the threat posed by this drug. First, it would require the Attorney General to develop, and make available to Federal, State, and local authorities, model protocols for taking toxicology specimens and victim statements in connection with suspected crimes involving GHB and other controlled substances or so-called designer drugs. The Attorney General also would be required to provide training materials for law enforcement officials responsible for investigating these offenses. And finally, she would be directed to make a grant for the development of standardized tests that could be used in the field to test for the presence of these drugs.

The reason for these requirements is that even many in law enforcement are unfamiliar with the operation of GHB. As a result, they may defer testing for it or taking victim statements on the mistaken assumption that the victim is drunk and will be more coherent later, whereas in fact this drug can be processed very quickly by the body and no longer be detectable at that time. Moreover, the victim's memory may be impaired by the substance and she may forget events that she would have remembered had her statement been taken more quickly. Hence the need for model protocols, training, and tests.

Second, the legislation directs the Secretary of HHS to conduct a National Awareness Campaign about the dangers of GHB. Consciousness of the dangers of this drug is lagging far behind the threat the drug presents, and it is critical that we make it a national priority to remedy that problem.

Finally, the legislation would direct the Attorney General to examine and recommend improvements to current mechanisms for coordinating federal, state and local investigations and prosecutions in this area. And it would establish a special unit within the DEA to assess the federal response to the abuse and trafficking of GHB, other controlled substances, and other designer drugs associated with sexual assault, recommended any reallocations of enforcement resources necessary to improve that response, and direct the Attorney General to make any such reallocations she believes are appropriate.

It is time to act, Mr. President, to save young people, and young women in particular, from these deadly drugs and the predators who use them.

I ask my colleagues to give their full support to this amendment.

I also ask unanimous consent that a number of letters from families and victims of date-rape drugs be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

TRINKA D. PORRATA, DESIGNER DRUGS—TEACHING & CONSULTING,
Pasadena, CA, October 3, 1999.

Senator SPENCER ABRAHAM,
329 Dirksen Senate Office Building,
Washington, DC.

DEAR SENATOR ABRAHAM: I'm writing in support of Senate Bill 1561. For four years, my life has revolved around a world of drug abuse little known by law enforcement, medical personnel, politicians and parents. I've watched MDMA explode worldwide in the rave, college and club scenes. I've seen flunitrazepam (Rohypnol, aka roofies) make its mark on sexual assaults. I've seen LSD resurface. And, I've watched in horror as the drug gamma hydroxy butyrate (GHB) has marched coast to coast, plucking out young lives in its path, picking up momentum as it goes. I consider it simply the most dangerous drug I've encountered in 25 years as a police officer. This is because of the overwhelming amount of misinformation spread about GHB, the dramatic lack of real scientific knowledge of it,the difficulty in testing for it and recognizing it in the street, and how easily and unpredictably it kills. GHB is indeed the Bad Child of the Internet. And, it has forever change the face of sexual assault investigations.

Despite a world brimming with technology and communication devices, knowledge of this drug has been based primarily on information via the Internet that runs the gamut from outdated to totally false. Any drug abuser or drug pusher can go on the Internet and pump out volumes of lies and half truths unabated. There are thousands of websites claiming GHB to be the wonder drug that will cure anything you can think of and instructing everyone NOT to call 911 for the victim of a GHB overdose. Deadly advice indeed. Meanwhile, government, law enforcement and the medical world have failed to make significant gain in countering the flood of bad information, identifying and making available accurate testing methods for it and providing even the most basic education about GHB. The ''system'' has truly failed the American public on this drug. As a friend of Samantha Reid, the 15-year-old Michigan victim of GHB, so aptly put it, ''You tell us every day about marijuana and other drugs. Why didn't you tell us about GHB?'' Daily, I am asked by the families who have lost loved ones to GHB—''I've never heard of this drug. Why, why didn't we know about this drug?''

Each day that GHB is not a federally controlled substance is another day of failure by the ''system.'' No, controlling a drug does not solve the problem, but it allows additional resources to be plugged into the tasks of educating the public, providing more standardized information to law enforcement, and developing testing procedures. It would be a giant step toward stopping the lies about GHB as a totally safe, wonder drug.

There isn't a meaningful data collection mechanism to capture drug trends like this. Existing systems are cumbersome, far behind in reporting statistics, and non-responsive to changing trends. In early 1997, the tally of GHB-related deaths kept by the Drug Enforcement Administration was seven. We knew that there was no way to put a figure on the possible number of deaths related to GHB where neither law enforcement nor the coroners knew to test for it. During our hearings before the California Legislature, Dennis Fraga showed up on the witness list. He arrived with autopsy report in hand, showing that his 25-year-old son, Jeffery, had died from alcohol and GHB ingestion. We realized that if we hadn't known about this death, there were undoubtedly more where the coroner knew that GHB was involved but hadn't known to report it to anyone. Dr. Jim Tolliver, who was at that time tracking GHB information for the DEA, began to make inquiries around the country, and the death count rapidly jumped to 26. The death toll continued to slowly increase, based on word of mouth, followed by the DEA obtaining a copy of the autopsy to review before including each death in the tally. Still, there was no reporting mechanism, no blanket means of obtaining information. Despite DEA polling its offices, where knowledge of this drug was limited by DEA agents and local authorities, it was obvious that not all cases were being spotted. I have personally worked closely with Dr. Chris Sannerud, who is now tracking GHB data for the DEA, and have referred numerous leads about deaths to her for investigation.

The count recently jumped to 49. I would like to point out to you that of the 49, ten have been in 1999. Furthermore, 25 additional cases have come to light, all but one of them in 1999. These cases are now being reviewed. That would mean more than 30 in 1999 to date. The victims get younger. More of them involve GHB and its analogs only (no alcohol or other drugs). I receive leads on GHB related death and rape cases virtually daily. And, we have only scratched the surface at this point. Law enforcement, legislators, doctors and parents are still largely unfamiliar with GHB. Remember too, these figures do not reflect the victims of impaired drivers under the influence of GHB.

Meanwhile, the drug company and the pro-drug abuse element want to divert attention saying that it is the homebrew aspect of GHB that is the problem and that it is only dangerous with alcohol and other drugs. The homebrew aspect occasionally adds an extra element of burns from high pH levels. But that isn't the problem. It is GHB that impairs, resulting in dangerous users behind the wheel causing accidents and deaths and resulting in victims unable to protect themselves from sexual assault. Look beyond the smoke and mirrors. The fact remains: 25-year-olds don't die from a .17 blood alcohol; Jeffery Fraga died that night BECAUSE he took GHB. Samantha Reid was drinking a Mountain Dew the night she died. And 20-year olds don't die from sleeping face down on a pillow . . . unless in coma from GHB ingestion. Kyle Hagmann took it as a sleep aid (after reading on the Internet that it is ''totally safe''), not a recreational drug. It is GHB that kills.

Not nearly enough is known about this drug from a medical and scientific viewpoint. The literature is old and outdated. New information is being learned daily and still not nearly enough is known. The old literature says GHB is not addictive. We know this to be untrue. In fact, withdrawal from GHB addiction is life threatening. This is simply not a market-ready product—any drug that is leaving 13-year olds suffering pulmonary edema in our nation's hospitals and alleys is not ready for market. One doctor with nine years of GHB research walked away from it, saying a much safer, longer acting product is needed. One doctor currently researching GHB for narcolepsy first told me personally that it was eight to ten years away for being ready and changed his story only after claims were publicized that the supply would cease for research if it became a Schedule I drug. There is simply no reason to give concessions to future issues re this drug. Let the research take its course and determine the future. Other drugs have been developed in Schedule I. I personally do not believe it will be GHB, but a safer, longer acting cousin that is yet to be developed. Don't let them bypass proper research and development!!!!!

I have no doubt that if GHB is ever approved for narcolepsy, the horror of abuse will only skyrocket as doctors blatantly abuse the controversial, dangerous ''off label use'' policy that would enable them to prescribe it for anything, not just the combination of narcolepsy and cataplexy of which it is being researched. There is simply no mechanism in place that will prevent such abuse (there is plenty of evidence of abuse of other drugs because of this policy). And, I cannot imagine in my wildest dreams a company saying, ''Oh excuse me, we are making too much money!!!!'' If the Legislature is determined to deal with future issues, then I adamantly urge that this drug be specifically excluded from the ''off label use'' policy. Any use of GHB beyond narcolepsy/cataplexy would require its own proper research and development. If, as the drug company claims, their only interest is for narcolepsy/cataplexy patients, then there is simply no reason they would protest such a clause being included.

There is much work to be done on this drug in all arenas. The dangers of GHB need to made crystal clear to America's youth and parents. Law enforcement, prosecutors and medical personnel are not uniformly prepared to handle cases involving GHB. GHB has brought to the sexual assault investigation a unbelievably challenge to overcome and an added horror for rape victims that I cannot even begin to address in this document. As a start, we need to standardize all sexual assault medical kits nationwide to include urine samples from victims and upgrade investigative and testing procedures. Changes need to be made in the impaired driving world as well. Aggressive federal/state prosecution is needed against manufacturers and distributors of GHB and analogs.

The GHB death toll speaks for itself. Legislation and strong federal backing for education and enforcement is clearly overdue and urgently needed.

Sincerely,

TRINKA D. PORRATA,
Drug Consultant.

To the members of the judiciary committee:

On Jan. 17, 1999 I lost my only daughter, Samantha Reid, when GHB and/or GBL was slipped into her Mountain Dew soft drink. I knew nothing about GHB before this tragic event. I took six months off of work and began educating myself on GHB. The more I learn about this invisible predator the more concerned for our nations safety I become.

I have joined Spencer Abraham on campaigning to pass S. 1561. This bill is long overdue in our country and contains many positive programs for awareness and will give law enforcement the much needed tools necessary to prosecute GHB cases. S. 1561 will allow for education targeting teens who are now receiving false information on GHB. A nation wide awareness campaign will give many young ladies the information necessary to protect and ultimately save themselves from GHB. Parents can be reached through public service announcements giving them the opportunity to communicate the dangers of GHB to their children.

Samantha and I were not given the opportunity that S. 1561 has to offer.

Lets not wait for one more senseless death before passing this legislation. Not one more mother should have to water the grass of a fresh grave, or place wind chimes on a tender, young tree planted to shade the site of their daughter. Pumpkins for Halloween should be carved at the kitchen table together, not placed by a headstone.

Our country is in desperate need of all the good this bill has to offer.

Respectfully,

JUDI CLARK,
Rockwood, Michigan.

Mr. ABRAHAM. Mr. President, I would like to close by reading one of

those letters, the letter I received from Judi Clark, Samantha Reid's mother, that, better than anything I can say, makes the case as to why this legislation is needed now. She wrote this letter to the members of the Senate Judiciary Committee.

It is as follows:

To the Members of the Senate Judiciary Committee:

On January 17, 1999, I lost my only daughter, Samantha Reid, when GHB and/or GBL was slipped into her Mountain Dew soft drink. I knew nothing about GHB before this tragic event. I took six months off of work and began educating myself on GHB. The more I learned about this invisible predator the more concerned for our nations safety I become.

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Samantha and I were not given the opportunity that S. 1561 has to offer. Lets not wait for one more senseless death before passing this legislation. Not one more mother should have to water the grass of a fresh grave, or place wind chimes on a tender young tree planted to shade the site of their daughter. Pumpkins for Halloween should be carved at the kitchen table together, not placed by a headstone.

Our country is in desperate need of all the good this bill has to offer.

Respectfully,

JUDI CLARK,
Rockwood, Michigan.

Mr. President, I would say in closing that I am happy we have finally taken the action which Judi Clark and other parents across this country have been asking us to take, to make sure that other children will be made aware of the dangers of GHB. Hopefully the predators who use drugs such as this will be treated in the fashion they deserve, which is to be prosecuted effectively and put behind bars where they belong.

No one else should have to go through what this family has suffered.

I am very determined to not only see this legislation pass, but also to work closely with the Department of Justice, the Drug Enforcement Agency, and State and local law enforcement agencies, to make sure this is just the first step in what will ultimately be a successful campaign to rid this Nation of the illicit use of this drug, and to make sure the children of our country are no longer the victims of predators who use it for criminal purposes.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Maine.

Ms. COLLINS. Mr. President, I commend the Senator from Michigan for his leadership and his eloquent statement.

Mr. HATCH. Mr. President, Today, the Senate adopted a significant measure against date rape and other heinous crimes associated with abusing certain types of drugs. I want to make a few comments on this bill, S. 1561, which addresses the abuse of the dangerous drug GHB which has been used to commit date rape and other crimes.

As Chairman of the Senate Judiciary Committee, I am proud that it was a member of our Committee, Senator SPENCER ABRAHAM, who introduced and has played the key leadership role in Senate passage of S. 1561, The Samantha Reid and Hillory J. Farias Date Rape Prohibition Act of 1999.'' I am also proud that other members of the Judiciary Committee, Senators DEWINE, FEINSTEIN, and GRASSLEY have joined Senator ABRAHAM in co-sponsoring this legislation.

It is only through the hard work and insistence of Senator ABRAHAM that this bill will pass the Senate today. I also want to commend his able staff, especially Lee Otis and Chase Hutto, who have spent considerable time and effort in improving this legislation. Their efforts were in the best tradition of staff of the United States Senate.

I also want to thank my friend on the other side of the aisle, Senator BIDEN, who has long been in the forefront of controlled substances and other drug abuse issues. I must also recognize the efforts of Ms. Marcia Lee of his staff for her diligence and creativity in developing this language.

I must also recognize the efforts of Chairmen THOMAS BLILEY and FRED UPTON for their work in developing and sheparding the House companion to S. 1561, H.R. 2310, through that body. In this regard, I must mention the efforts of John Manthei of the House Commerce Committee as well as Ms. Jane Williams of Rep. UPTON's staff. Both of them deserve recognition for their dedication to passing this bill.

S. 1561 is concerned with the proper regulation of gamma hydrobutyric acid, the chemical known on the street as GHB which has both hateful and hopeful uses. On one hand, many families across America have suffered due to abuse of this agent which has been used to lull unsuspecting women into a date-rape situation and has even resulted in death through overdose. On the other hand, GHB holds unprecedented promise to those one-quarter million Americans suffering from extreme sleep disorders such as cataplexy and narcolepsy.

Cataplexy is a debilitating condition suffered by some 70,000 Americans that results in an inability of the muscles to function. Narcolepsy, which attacks 170,000 Americans, causes a person suddenly and unpredictably to fall asleep. Neither of these terrible diseases have an effective treatment today. As author of the 1984 Orphan Drug Act which creates incentives for private sector drug firms to investigate treatments for rare diseases, I am particularly sensitive to the needs of families suffering from low-prevalence conditions. We need to do everything we can to get academic researchers and the pharmaceutical industry to find cures for the hundreds of currently untreatable rare diseases.

The problem for policymakers, both in the Congress and at the DEA, is how to encourage the use of the medically promising uses of GHB while discouraging and outlawing the illicit uses such as date rape.

While there are no known cases of diversion of this drug from the on-going and highly promising clinical trials of GHB as a treatment for cataplexy and narcolepsy, the problem of GHB abuse demands our attention.

According to DEA, hospital and law enforcement officials have reported about 5,500 cases of GHB abuse, including 49 deaths. Aggregate statistics, as alarming as they may be, cannot convey the absolute upheaval that GHB abuse can cause for an individual and a family.

Senator ABRAHAM has told me the story about the untimely death of a bright and vivacious 15-year-old young woman from Michigan, Samantha Reid. She went to a small gathering of friends, was given a drink from a soft drink bottle laced with GHB, and died. Samantha did nothing wrong. Her mother, Judi Clark, did nothing wrong. Unfortunately, this tragedy has struck this family.

Four young men have been charged under Michigan law for involuntary manslaughter and poisoning. But, given the prevalence and, as the Reid case highlights, the potential severity of GHB abuse, it seems clear—and both public health and law enforcement officials agree on this—that this chemical warrants regulation under the Controlled Substances Act. That's exactly what S. 1561 and its House companion accomplish.

Some may raise a question about whether the federal Controlled Substances Act failed to operate in a fashion that could have prevented deaths or sexual assaults through abuse of GHB.

Although there have been reports of substantial GHB abuse for several years now, I do not know why the Attorney General and Secretary of Health and Human Services have been unable to resolve the matters that have precluded this drug from being scheduled through the normal procedures under the Controlled Substances Act. I don't know why it took until September of 1997 for the DEA to request FDA to analyze the medical and scientific matters relating to GHB. I don't know why it took until May 19, 1999 to get a response to this request. I don't know why DEA has not acted in the last six months to bring this matter to a conclusion through administrative means. It should not take an act of Congress to schedule a dangerous drug under the Controlled Substances Act.

I do know that part of the unjustifiable delay in the scheduling of GHB

stemmed from the fact that there is a difference of opinion between DEA and FDA about how to schedule this drug. But that answer is not good enough. It is simply inadequate to tell a mother of a child like Samantha Reid, a promising young woman with her whole life ahead of her, that the system ''just takes time'' because two bureaucracies disagreed about how something so serious should be handled.

This situation points out that a significant breakdown in the system has occurred with respect to the scheduling of GHB. It behooves the Congress to deliberate more over ways to make the key agencies, DEA and FDA, be more responsive in the future, rather than be forced to do their jobs for them. The lesson of GHB should not be to teach the agencies to wait for Congressional action whenever the bureaucracy cannot act.

Let me just say that as a general matter I do not favor legislative scheduling or rescheduling. By statute, the responsibility for scheduling is delegated to the experts at DOJ and HHS. The world is turned upside down when DOJ informs Congress, as if did on May 3, 1999, that: ''DOJ believes that it is appropriate for Congress to schedule GHB at this time.''

By any measure, a fair reading of the Controlled Substances Act places the primary responsibility for regulating dangerous drugs upon law enforcement and public health experts at the appropriate federal agencies. I do have a concern about Congress legislating on the safety and efficacy of individual drug products, especially before clinical testing or introduction into commerce commences. Nor should we allow the Congress to be placed in the position of making technical, scientific and law enforcement judgment whenever an individual drug product with an actual or potential legitimate medicinal use is determined by experts to warrant the application of the CSA.

I am firmly behind efforts to stop so-called ''date rapes,''; this is a despicable crime and the Federal Government should take action to make sure it does not occur. While I wholeheartedly applaud the efforts of the House to strike a blow against abuse of GHB, I am concerned about Congress getting directly involved in the scheduling process as the House mandated in adopting H.R. 2130. In this regard, it was my strong sense that rather than for Congress to legislatively schedule GHB, it would have more impact to amend the statute and direct DEA to implement the Surgeon General's recommendations that were issued back on May 19, 1999.

I will not take the time today to consider the full implications of a policy of legislative rescheduling. I do plan in the future to re-examine the scheduling provisions of the Controlled Substances Act.

At this point, let me elaborate further on some of the issues I have raised.

Subsections (b) and (c) of section 201 of the Controlled Substances Act identify eight criteria that must be taken into account in scheduling a drug. With respect to scheduling a drug, these factors are:

(1) Its actual or relative potential for abuse.

(2) Scientific evidence of its pharmacological effect, if known.

(3) The state of current scientific knowledge regarding the drug or other substance.

(4) Its history and current pattern of abuse.

(5) The scope, duration, and significance of abuse.

(6) What, if any, risk there is to the public health.

(7) Its psychic or physiological dependence liability.

(8) Whether the substance is an immediate precursor of a substance already controlled under this title.

The statute proscribes that.

The recommendations of the Secretary (of Health and Human Services) to the Attorney General shall be binding on the Attorney General as to such scientific and medical matters, and if the Secretary recommends that a drug or other substance not be controlled, the Attorney General shall not control the drug or other substances.

This is the section of the law which appears not to have functioned optimally in the case of GHB. We can, and should, do better in anticipating and combating the next GHB.

To a large degree, the legislation we adopt today implements the May 19, 1999 HHS recommendations and the accompanying ''Eight Factor Analysis Report'' that take into account both the illicit abuse of GHB as well as the highly promising legitimate uses of this substance. While I believe that the language worked out by Senators ABRAHAM and BIDEN, Chairman BLILEY, Chairman MCCOLLUM, and the DEA, is preferable to the earlier versions of the bill, I remain troubled by some aspects of how the current statute has worked and may work in the future.

First, I am troubled that if we place promising pharmaceutical candidates such as GHB into Schedule I of the Controlled Substance Act we undermine its integrity of the CSA and will discourage the legitimate, potential life-saving uses of such compounds. According to the statute, one of the three requirements of schedule I is that there is ''no accepted medical use'' in the United States. But the May 19, 1999 HHS recommendation has already found that the cataplexy product has cleared this hurdle:

. . . the abuse potential of GHB, when used under an authorized research protocol, is consistent with substances typically controlled under Schedule IV . . . An authorized formulation of GHB is far enough along in the development process to meet the standard under Schedule II of a drug or substance having a ''currently accepted medical use with severe restrictions.'' Under these circumstances, HHS recommends placing authorized formulations of GHB in Schedule III.

On October 12, 1999 DOJ sent a letter that disregards the May 19th HHS schedule III recommendation. DOJ first states ''. . . the DEA strongly supports the control of GHB in Schedule I of the CSA'' and then asserts: ''The data collected to date would support control of the GHB product in Schedule II.''

Second, in addition to giving no apparent deference to HHS on matters supposedly binding on DOJ under section 201(b) of the CSA, DOJ almost seems to be interpreting the statute as requiring full FDA approval before the ''currently accepted medical use'' language of the CSA can be satisfied. Such an outcome is neither compelled by the statute, nor does it reflect sound public health policy as it acts to discourage drug development and patient access to promising drugs in clinical trials.

I hasten to point out that I have advocated stiffening the penalties for abuse of date-rape drugs such as GHB. In 1997 I successfully led the charge to enact a law that imposed schedule I-level penalties for another date rape drug, flunitrazepam. This product was marketed for legitimate medical purposes overseas and did not meet the Schedule I requirement that ''there is lack of accepted safety for use of the drug or other substance under medical supervision.'' Therefore, the Congress passed, and the President signed, my legislation to increase the penalties for this drug. But we stopped short of scheduling the pharmaceutical into Schedule I, recognizing that the product does have accepted medical uses. It was my hope that this could be the model for GHB legislation as well.

I want to work constructively with my colleagues in Congress to achieve our common goals of taking immediate action against GHB, preserving the integrity of the CSA, and sending a strong message to those agencies charged with implementing the CSA that they must work together in a cooperative and expeditious way to protect the American public.

While I think the bill we adopt today might have been written differently, I agree with my colleagues that our foremost goal must be to take quick and decisive action with respect to the criminalization of GHB used for non-medical purposes. Senator Abraham's bill is a good bill and he deserves a lot of credit for putting this improved legislative package together.

Let me also note that the bill we have just passed includes language I drafted requiring DEA to create a Special Unit to assess the abuse and trafficking of GHB and other date rape drugs, and will identify the threat posed by date rape drugs on a national and regional basis. I am pleased to be the sponsor of S. 1947, the bill that creates this Special Unit. S. 1947 has been incorporated in the final language that we adopt today. I can assure all my colleagues that this is one Senator that will closely review the Attorney General's report on the allocation and reallocation of resources to combat date rape and other crimes related to designer drugs.

We can and should look further into the problems associated with the

scheduling of drugs under CSA and whether we need to change the relevant laws. But today we honor the memory of Hillory Farias and Samantha Reid by taking an act that will hopefully reduce the risk of GHB abuse being visited upon unsuspecting women.

ELECTRONIC BENEFIT TRANSFER INTEROPERABILITY AND PORTABILITY ACT OF 1999

Ms. COLLINS. Mr. President, I ask unanimous consent that the Agriculture Committee be discharged from further consideration of S. 1733, and that the Senate then proceed to its immediate consideration.

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

The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1733) to amend the Food Stamp Act of 1977 to provide for a national standard of interoperability and portability applicable to electronic food stamp benefit transactions.

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

AMENDMENT NO. 2785

Ms. COLLINS. Mr. President, there is a substitute amendment at the desk submitted by Senator FITZGERALD, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine (Ms. COLLINS), for Mr. FITZGERALD, proposes an amendment numbered 2785.

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Electronic Benefit Transfer Interoperabilty and Portability Act of 1999''.

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to protect the integrity of the food stamp program;

(2) to ensure cost-effective portability of food stamp benefits across State borders without imposing additional administrative expenses for special equipment to address problems relating to the portability;

(3) to enhance the flow of interstate commerce involving electronic transactions involving food stamp benefits under a uniform national standard of interoperability and portability; and

(4) to eliminate the inefficiencies resulting from a patchwork of State-administered systems and regulations established to carry out the food stamp program

SEC. 3. INTEROPERABILTY AND PORTABILITY OF FOOD STAMP TRANSACTIONS.

Section 7 of the Food Stamp Act of 1977 (7 U.S.C. 2016) is amended by adding at the end the following:

''(k) INTEROPERABILTY AND PORTABILITY OF ELECTRONIC BENEFIT TRANSFER TRANSACTIONS.—

''(1) DEFINITIONS.—In this subsection:

''(A) ELECTRONIC BENEFIT TRANSFER CARD.—The term 'electronic benefit transfer card' means a card that provides benefits under this Act through an electronic benefit transfer service (as defined in subsection (i)(11)(A)).

''(B) ELECTRONIC BENEFIT TRANSFER CONTRACT.—The term 'electronic benefit transfer contract' means a contract that provides for the issuance, use, or redemption of coupons in the form of electronic benefit transfer cards.

''(C) INTEROPERABILTY.—The term 'interoperability' means a system that enables a coupon issued in the form of an electronic benefit transfer card to be redeemed in any State.

''(D) INTERSTATE TRANSACTION.—The term 'interstate transaction' means a transaction that is initiated in 1 State by the use of an electronic benefit transfer card that is issued in another State.

''(E) PORTABILITY.—The term 'portability' means a system that enables a coupon issued in the form of an electronic benefit transfer card to be used in any State by a household to purchase food at a retail food store or wholesale food concern approved under this Act.

''(F) SETTLING.—The term 'settling' means movement, and reporting such movement, of funds from an electronic benefit transfer card issuer that is located in 1 State to a retail food store, or wholesale food concern, that is located in another State, to accomplish an interstate transaction.

''(G) SMART CARD.—The term 'smart card' means an intelligent benefit card described in section 17(f).

''(H) SWITCHING.—The term 'switching' means the routing of an interstate transaction that consists of transmitting the details of a transaction electronically recorded through the use of an electronic benefit transfer card in 1 State to the issuer of the card that is in another State.

''(2) REQUIREMENT.—Not later than October 1, 2002, the Secretary shall ensure that systems that provide for the electronic issuance, use, and redemption of coupons in the form of electronic benefit transfer cards are interoperable, and food stamp benefits are portable, among all States.

''(3) COST.—The cost of achieving the interoperability and portability required under paragraph (2) shall not be imposed on any food stamp retail store, or any wholesale food concern, approved to participate in the food stamp program.

''(4) STANDARDS.—Not later than 210 days after the date of enactment of this subsection, the Secretary shall promulgate regulations that—

''(A) adopt a uniform national standard of interoperability and portability required under paragraph (2) that is based on the standard of interoperability and portability used by a majority of State agencies; and

''(B) require that any electronic benefit transfer contract that is entered into 30 days or more after the regulations are promulgated, by or on behalf of a State agency, provide for the interoperability and portability required under paragraph (2) in accordance with the national standard.

''(5) EXEMPTIONS—

''(A) CONTRACTS.—The requirements of paragraph (2) shall not apply to the transfer of benefits under an electronic benefit transfer contract before the expiration of the term of the contract if the contract—

''(i) is entered into before the date that is 30 days after the regulations are promulgated under paragraph (4); and

''(ii) expires after October 1, 2002.

''(B) WAIVER.—At the request of a State agency, the Secretary may provide 1 waiver to temporarily exempt, for a period ending on or before the date specified under clause (iii), the State agency from complying with the requirements of paragraph (2), if the State agency—

''(i) establishes to the satisfaction of the Secretary that the State agency faces unusual technological barriers to achieving by October 1, 2002, the interoperability and portability required under paragraph (2);

''(ii) demonstrates that the best interest of the food stamp program would be served by granting the waiver with respect to the electronic benefit transfer system used by the State agency to administer the food stamp program; and

''(iii) specifies a date by which the State agency will achieve the interoperability and portability required under paragraph (2).

''(C) SMART CARD SYSTEMS.—The Secretary shall allow a State agency that is using smart cards for the delivery of food stamp program benefits to comply with the requirements of paragraph (2) at such time after October 1, 2002, as the Secretary determines that a practicable technological method is available for interoperability with electronic benefit transfer cards.

''(6) FUNDING.—

''(A) IN GENERAL.—In accordance with regulations promulgated by the Secretary, the Secretary shall pay 100 percent of the costs incurred by a State agency under this Act for switching and settling interstate transactions—

''(i) incurred after the date of enactment of this subsection and before October 1, 2002, if the State agency uses the standard of interoperability and portability adopted by a majority of State agencies; and

''(ii) incurred after September 30, 2002, if the State agency uses the uniform national standard of interoperability and portability adopted under paragraph (4)(A).

''(B) LIMITATION.—The total amount paid to State agencies for each fiscal year under subparagraph (A) shall not exceed $500,000.''.

SEC. 4. STUDY OF ALTERNATIVES FOR HANDLING ELECTRONIC BENEFIT TRANSACTIONS INVOLVING FOOD STAMP BENEFITS.

Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall study and report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on alternatives for handling interstate electronic benefit transactions involving food stamp benefits provided under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), including the feasibility and desirability of a single hub for switching (as defined in section 7(k)(1) of that Act (as added by section 3)).

Mr. FITZGERALD. Mr. President, I rise today to recognize the passage of the Electronic Benefit Transfer Interoperability and Portability Act of 1999. This legislation addreses the problem of food stamp beneficiaries being unable to redeem their benefits in authorized stores that may be located outside their state of residence.

As you may know, Congress passed legislation in 1996 that required the federal government to deliver food stamp benefits electronically, rather than using paper coupons. Most states have started the process of issuing plastic cards, very similar to ATM cards, to access these benefits. The federal government termed this new process, electronic benefits transfer (EBT).

You may have noticed a separate button on the payment terminal in your local supermarket with the designation ''EBT'' or a separate standalong payment terminal to handle these new transactions.

More than half of the country has already switched from the paper coupons

to this new EBT card. However, one significant issue is causing problems in the program for retailers, states, and recipients. That issue is the inability of recipients to use their state-issued cards across state lines. This is especially true in communities that are near a state border.

Under the old paper system, recipients could use the coupons in any state in the country. Under the new electronic system, that is the case Customers go into a food store expecting to use their federal benefits to purchase food. When they cannot use their EBT cards, they become frustrated and dissatisfied with the food stamp program.

For example, under the old system, a food stamp recipient living in Palmyra, Missouri could use his food stamp coupons in his favorite grocery store in Quincy, Illinois, just over the border. Similarly, a recipient living in Illinois could visit family in Tennessee and still purchase food for his children. Food stamp beneficiaries are not unlike the average shopper. Cross-border shopping occurs for a variety of reasons. One reason is convenience; another equally important reason is the cost of groceries. The supermarket industry is very competitive. Customers paying with every type of tender except EBT have the ability to shop around for the best prices. Shouldn't recipients of our nation's federal food assistance benefits be able to stretch their dollars without regard to state borders?

Another reason for cross-border shopping is convenience. While one of my constituents may live in the metro east area of Illinois, he or she may work in St. Louis. Under the current situation, if the only grocery store between work and home is in Missouri, the recipient cannot purchase food without traveling miles out of the way.

The legislation would once again provide for the portability of food assistance benefits and allow food stamp recipients the flexibility of shopping at locations that they choose.

Interoperability works well today with ATM/Debit cards, the type of cards that EBT was modeled after. Consumers and merchants are confident that when a MAC card issued by a bank in Pittsburgh is presented, authorization and settlement of that transaction will work the same as when a Star card, issued by Bank of America in California is presented. This occurs regardless of where the merchant is located.

Unfortunately, this is currently not the case with EBT cards. If every state operated their EBT program under a standard set of operating rules, as this legislation requires, companies operating in multiple states could be more efficient, resolve any discrepancies in customer accounts more quickly, and ultimately hold down the price of groceries for all consumers.

This legislation is more about good government than it is about food stamps. Since 1996, the transition from paper coupons to electronic benefit transfers has saved the federal government a significant amount of money. For example, while the food stamp caseload decreased 24 percent from fiscal year 1995 to 1998, food stamp production and redemption costs dropped by an impressive 39 percent. While it is estimated that the bill's implementation will cost the federal government no more than $500,000 annually, it will save at least $20 million per year when paper coupons are a thing of the past.

This legislation is sound public policy that enjoys strong bipartisan support. I thank my colleagues, Senators LEAHY, LUGAR, HARKIN, CRAIG, COCHRAN, CRAPO, KOHL, and KERREY for joining me as co-sponsors of this bill. This legislation is vitally important to every food stamp recipient, every state food stamp program administrator, and every grocery store in the country.

I thank the presiding officer, and I yield the floor.

Ms. COLLINS. Mr. President, I ask unanimous consent that the amendment be agreed to, the bill be read a third time and passed, as amended, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

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

The amendment (No. 2785) was agreed to.

The bill (S. 1733), as amended, was read the third time and passed, as follows:

[The bill was not available for printing. It will appear in a future edition of the RECORD.]

MAKING TECHNICAL CORRECTIONS TO THE ENROLLMENT OF H.R. 3194

Ms. COLLINS. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Senate Concurrent Resolution 77 now at the desk introduced earlier by Senators LOTT and DASCHLE, and that the resolution be considered read a third time and passed, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 77) making technical corrections to the enrollment of H.R. 3194.

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. Without objection, the concurrent resolution is agreed to.

The concurrent resolution (S. Con. Res. 77) was agreed to.

The concurrent resolution (S. Con. Res. 77) is as follows:

S. CON. RES. 77

Resolved by the Senate (the House of Representatives concurring), That the Clerk of the House of Representatives, in the enrollment of the bill (H.R. 3194), making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 2000, and for other purposes, shall make the following correction:

At the appropriate place of the bill insert the following:

COMMODITY CREDIT CORPORATION

PRODUCER-OWNED MARKETING ASSOCIATIONS FORGIVENESS

SEC. 1. The Secretary of Agriculture shall reduce the amount of any principal due on a loan made to marketing association incorporated in the State of North Carolina for the 1999 crop of an agricultural commodity by at least 75 percent if the marketing association suffered losses of the agricultural commodity in a county with respect to which—(1) a natural disaster was declared by the Secretary for losses due to Hurricane Dennis, Floyd, or Irene; or (2) a major disaster or emergency was declared by the President for losses due to Hurricane Dennis, Floyd, or Irene under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)

If the Secretary assigns a grade quality for the 1999 crop of an agricultural commodity marketed by an association described in this section that is below the base quality of the agricultural commodity, the Secretary shall compensate the association for losses incurred by the association as a result of the reduction in grade quality.

Up to $81,000,000 of the resources of the Commodity Credit Corporation shall be used for the cost of this section: *Provided,* That the entire amount necessary to carry out this section shall be available only to the extent that an official budget request for the entire amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further,* That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) and Section 252(e) of such Act.

SEC. 2. In administering $50,000,000 in emergency supplemental funding for the Emergency Conservation Program, the Secretary shall give priority to the repair of structures essential to the operation of the farm.

EXEMPTIONS PURSUANT TO THE FEDERAL REPORTS ELIMINATION AND SUNSET ACT OF 1995

Ms. COLLINS. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be discharged from further consideration of H.R. 3111, and that the Senate proceed to its immediate consideration.

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

The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 3111) to exempt certain reports from automatic elimination and sunset pursuant to the Federal Reports Elimination and Sunset Act.

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

AMENDMENT NO. 2786

(Purpose: To provide continued reporting of intercepted wire, oral, and electronic communications)

Ms. COLLINS. Mr. President, Senator LEAHY has an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine (Ms. COLLINS), for Mr. LEAHY, proposes an amendment numbered 2786.

Add at the end the following:

SEC. 2. (a) SHORT TITLE.—This Act may be cited as the ''Continued Reporting of Intercepted Wire, Oral, and Electronic Communications Act''.

(b) FINDINGS.—Congress makes the following findings:

(1) Section 2519(3) of title 18, United States Code, requires the Director of the Administrative Office of the United States Courts to transmit to Congress a full and complete annual report concerning the number of applications for orders authorizing or approving the interception of wire, oral, or electronic communications. This report is required to include information specified in section 2519(3).

(2) The Federal Reports Elimination and Sunset Act of 1995 provides for the termination of certain laws requiring submittal to Congress of annual, semiannual, and regular periodic reports as of December 21, 1999, 4 years from the effective date of that Act.

(3) Due to the Federal Reports Elimination Act and Sunset Act of 1995, the Administrative Office of United States Courts is not required to submit that annual report described in section 219(3) of title 18, United States Code, as of December 21, 1999.

(c) CONTINUED REPORTING REQUIREMENTS.—

(1) CONTINUED REPORTING REQUIREMENTS.—Section 2519 of title 18, United States Code, is amended by adding at the end the following:

''(4) The reports required to be filed by subsection (3) are exempted from the termination provisions of section 3003(a) of the Federal Reports Elimination and Sunset Act of 1995 (Public Law 104–66).''.

(2) EXEMPTION.—Section 3003(d) of the Federal Reports Elimination and Sunset Act of 1995 (Public Law 104–66) is amended—

(a) in paragraph (31), by striking ''or'' at the end;

(b) in paragraph (32), by striking the period and inserting ''; or''; and

(c) by adding at the end the following:

''(33) section 2519(3) of title 18, United States Code.''.

(d) ENCRYPTION REPORTING REQUIREMENTS.—

(1) Section 2519(2)(b) of title 18, United States Code, is amended by striking ''and (iv)'' and inserting ''(iv) the number of orders in which encryption was encountered and whether such encryption prevented law enforcement from obtaining the plain text of communications intercepted pursuant to such order, and (v)''.

(2) The encryption reporting requirement in subsection (a) shall be effective for the report transmitted by the Director of the Administrative Office of the Courts for calendar year 2000 and in subsequent reports.

(e) REPORTS CONCERNING PEN REGISTERS AND TRAP AND TRACE DEVICES.—Section 3126 of title 18, United States Code, is amended by striking the period and inserting '', which report shall include information concerning—

''(1) the period of interceptions authorized by the order, and the number and duration of any extensions of the order;

''(2) the offense specified in the order or application, or extension of an order;

''(3) the number of investigations involved;

''(4) the number and nature of the facilities affected; and

''(5) the identity, including district, of the applying investigative or law enforcement agency making the application and the person authorizing the order.''.

Mr. LEAHY. Mr. President, I am pleased that the Senate is today considering for final passage S. 1769, as amended by the House. I introduced S. 1769 with Chairman HATCH on October 22, 1999 and it passed the Senate on November 5, 1999. This bill will continue and enhance the current reporting requirements for the Administrative Office of the Courts and the Attorney General on the eavesdropping and surveillance activities of our federal and state law enforcement agencies. The House amendment is the text of H.R. 3111, a bill to exempt from automatic elimination and sunset certain reports submitted to Congress that are useful and helpful in informing the Congress and the public about the activities of federal agencies in the enforcement of federal law. I am also glad to support this amendment.

For many years, the Administrative Office (AO) of the Courts has complied with the statutory requirement, in 18 U.S.C. §2519(3), to report to Congress annually the number and nature of federal and state applications for orders authorizing or approving the interception of wire, oral or electronic communications. By letter dated September 3, 1999, the AO advised that it would no longer submit this report because ''as of December 21, 1999, the report will no longer be required pursuant to the Federal Reports Elimination and Sunset Act of 1995.'' I commend the AO for alerting Congress that their responsibility for the wiretap reports would lapse at the end of this year, and for doing so in time for Congress to take action.

The AO has done an excellent job of preparing the wiretap reports. We need to continue the AO's objective work in a consistent manner. If another agency took over this important task at this juncture and the numbers came out in a different format, it would immediately generate questions and concerns over the legitimacy and accuracy of the contents of that report.

In addition, it would create difficulties in comparing statistics from prior years going back to 1969 and complicate the job of congressional oversight. Furthermore, transferring this reporting duty to another agency might create delays in issuance of the report since no other agency has the methodology in place. Finally, federal, state and local agencies are well accustomed to the reporting methodology developed by the AO. Notifying all these agencies that the reporting standards and agency have changed would inevitably create more confusion and more expense as law enforcement agencies across the country are forced to learn a new system and develop a liaison with a new agency.

The system in place now has worked well and we should avoid any disruptions. We know how quickly law enforcement may be subjected to criticism over their use of these surreptitious surveillance tools and we should avoid aggravating these sensitivities by changing the reporting agency and methodology on little to no notice. I appreciate, however, the AO's interest in transferring the wiretap reporting requirement to another entity. Any such transfer must be accomplished with a minimum of disruption to the collection and reporting of information and with complete assurances that any new entity is able to fulfill this important job as capably as the AO has done.

S. 1769 would update the reporting requirements currently in place with one additional reporting requirement. Specifically, the bill would require the wiretap reports prepared beginning in calendar year 2000 to include information on the number of orders in which encryption was encountered and whether such encryption prevented law enforcement from obtaining the plain text of communications intercepted pursuant to such order.

Encryption technology is critical to protect sensitive computer and online information. Yet, the same technology poses challenges to law enforcement when it is exploited by criminals to hide evidence or the fruits of criminal activities. A report by the U.S. Working Group on Organized Crime titled, ''Encryption and Evolving Technologies: Tools of Organized Crime and Terrorism,'' released in 1997, collected anecdotal case studies on the use of encryption in furtherance of criminal activities in order to estimate the future impact of encryption on law enforcement. The report noted the need for ''an ongoing study of the effect of encryption and other information technologies on investigations, prosecutions, and intelligence operations''. As part of this study, ''a database of case information from federal and local law enforcement and intelligence agencies should be established and maintained.'' Adding a requirement that reports be furnished on the number of occasions when encryption is encountered by law enforcement is a far more reliable basis than anecdotal evidence on which to assess law enforcement needs and make sensible policy in this area.

The final section of S. 1769 would codify the information that the Attorney General already provides on pen register and trap and trace device orders, and would require further information on where such orders are issued and the types of facilities—telephone, computer, pager or other device—to which the order relates. Under the Electronic Communications Privacy Act (''ECPA'') of 1986, P.L. 99–508, codified at 18 U.S.C. §3126, the Attorney General of the United States is required to report annually to the Congress on the number of pen register orders and orders for trap and trace devices applied for by law enforcement agencies of the Department of Justice. As the original sponsor of ECPA, I believed that adequate oversight of the surveillance activities of federal law enforcement could only be accomplished with reporting requirements such as the one included in this law.

The reports furnished by the Attorney General on an annual basis compile information from five components of the Department of Justice: the Federal Bureau of Investigation, the Drug Enforcement Administration, the Immigration and Naturalization Service, the United States Marshals Service and the Office of the Inspector General. The report contains information on the number of original and extension orders made to the courts for authorization to use both pen register and trap and trace devices, information concerning the number of investigations involved, the offenses on which the applications were predicted and the number of people whose telephone facilities were affected.

These specific categories of information are useful, and S. 1769 would direct the Attorney General to continue providing these specific categories of information. In addition, the bill would direct the Attorney General to include information on the identity, including the district, of the agency making the application and the person authorizing the order. In this way, the Congress and the public will be informed of those jurisdictions using this surveillance technique—information which is currently not included in the Attorney General's annual reports.

The requirement for preparation of the wiretap reports will soon lapse so I am delighted to see the Congress take prompt action on this legislation to continue the requirement for submission of the wiretap reports and to update the reporting requirements for both the wiretap reports submitted by the AO and the pen register and trap and trace reports submitted by the Attorney General.

Mr. President, I am also pleased that the Senate is today considering H.R. 3111 to exempt from automatic elimination and sunset certain reports submitted to Congress that are useful and helpful in informing the Congress and the public about the activities of federal agencies in the enforcement of federal law. Senator HATCH and I offer as an amendment to H.R. 3111 the text of a bill S. 1769, which I introduced with Chairman Hatch on October 22, 1999 and which passed the Senate on November 5, 1999. This amendment will continue and enhance the current reporting requirements for the Administrative Office of the Courts and the Attorney General on the eavesdropping and surveillance activities of our federal and state law enforcement agencies.

For many years, the Administrative Office (AO) of the Courts has complied with the statutory requirement, in 18 U.S.C. §2519(3), to report to Congress annually the number and nature of federal and state applications for orders authorizing or approving the interception of wire, oral or electronic communications. By letter dated September 3, 1999, the AO advised that it would no longer submit this report because ''as of December 21, 1999, the report will no longer be required pursuant to the Federal Reports Elimination and Sunset Act of 1995.'' I commend the AO for alerting Congress that their responsibility for the wiretap reports would lapse at the end of this year, and for doing so in time for Congress to take action.

The AO has done an excellent job of preparing the wiretap reports. We need to continue the AO's objective work in a consistent manner. If another agency took over this important task at this juncture and the numbers came out in a different format, it would immediately generate questions and concerns over the legitimacy and accuracy of the contents of that report.

In addition, it would create difficulties in comparing statistics from prior years going back to 1969 and complicate the job of congressional oversight. Furthermore, transferring this reporting duty to another agency might create delays in issuance of the report since no other agency has the methodology in place. Finally, federal, state and local agencies are well accustomed to the reporting methodology developed by the AO. Notifying all these agencies that the reporting standards and agency have changed would inevitably create more confusion and more expense as law enforcement agencies across the country are forced to learn a new system and develop a liaison with a new agency.

The system in place now has worked well and should be continued. We know how quickly law enforcement may be subjected to criticism over their use of these surreptitious surveillance tools and we should avoid aggravating these sensitivities by changing the reporting agency.

The amendment would update the reporting requirements currently in place with one additional reporting requirement. Specifically, the amendment would require the wiretap reports prepared beginning in calendar year 2000 to include information on the number of orders in which encryption was encountered and whether such encryption prevented law enforcement from obtaining the plain text of communications intercepted pursuant to such order.

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The reports furnished by the Attorney General on an annual basis compile information from five components of the Department of Justice: the Federal Bureau of Investigation, the Drug Enforcement Administration, the Immigration and Naturalization Service, the United States Marshals Office and the Office of the Inspector General. The report contains information on the number of original and extension orders made to the courts for authorization to use both pen register and trap and trace devices, information concerning the number of investigations involved, the offenses on which the applications were predicted and the number of people whose telephone facilities were affected.

These specific categories of information are useful, and the amendment would direct the Attorney General to continue providing these specific categories of information. In addition, the amendment would direct the Attorney General to include information on the identity, including the district, of the agency making the application and the person authorizing the order. In this way, the Congress and the public will be informed of those jurisdictions using this surveillance technique-information which is currently not included in the Attorney General's annual reports.

The requirement for preparation of the wiretap reports will soon lapse so I am delighted to see the Senate take prompt action on this legislation to continue the requirement for submission of the wiretap reports and to update the reporting requirements for both the wiretap reports submitted by the AO and the pen register and trap and trace reports submitted by the Attorney General.

Ms. COLLINS. Mr. President, I ask unanimous consent that the amendment be agreed to, the bill, as amended, be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

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

The amendment (No. 2786) was agreed to.

The bill (H. R. 3111), as amended, was read the third time and passed.

THIRD MILLENNIUM ELECTRONIC COMMERCE ACT

Ms. COLLINS. Mr. President, I now ask unanimous consent that the Senate proceed to the consideration of Calendar No. 243, S. 761.

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

The legislative clerk read as follows:

A bill (S. 761) to regulate interstate commerce by electronic means by permitting and encouraging the continued expansion of electronic commerce through the operation of free market forces, and other purposes.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Third Millennium Digital Commerce Act''.

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) The growth of electronic commerce and electronic government transactions represent a powerful force for economic growth, consumer choice, improved civic participation and wealth creation.

(2) The promotion of growth in private sector electronic commerce through Federal legislation is in the national interest because that market is globally important to the United States.

(3) A consistent legal foundation, across multiple jurisdictions, for electronic commerce will promote the growth of such transactions, and that such a foundation should be based upon a simple, technology neutral, non-regulatory, and market-based approach.

(4) The Nation and the world stand at the beginning of a large scale transition to an information society which will require innovative legal and policy approaches, and therefore, States can serve the national interest by continuing their proven role as laboratories of innovation for quickly evolving areas of public policy, provided that States also adopt a consistent, reasonable national baseline to eliminate obsolete barriers to electronic commerce such as undue paper and pen requirements, and further, that any such innovation should not unduly burden inter-jurisdictional commerce.

(5) To the extent State laws or regulations do not provide a consistent, reasonable national baseline or in fact create an undue burden to interstate commerce in the important burgeoning area of electronic commerce, the national interest is best served by Federal preemption to the extent necessary to provide such consistent, reasonable national baseline eliminate said burden, but that absent such lack of consistent, reasonable national baseline or such undue burdens, the best legal system for electronic commerce will result from continuing experimentation by individual jurisdictions.

(6) With due regard to the fundamental need for a consistent national baseline, each jurisdiction that enacts such laws should have the right to determine the need for any exceptions to protect consumers and maintain consistency with existing related bodies of law within a particular jurisdiction.

(7) Industry has developed several electronic signature technologies for use in electronic transactions, and the public policies of the United States should serve to promote a dynamic marketplace within which these technologies can compete. Consistent with this Act, States should permit the use and development of any authentication technologies that are appropriate as practicable as between private parties and in use with State agencies.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to permit and encourage the continued expansion of electronic commerce through the operation of free market forces rather than proscriptive governmental mandates and regulations;

(2) to promote public confidence in the validity, integrity and reliability of electronic commerce and online government under Federal law;

(3) to facilitate and promote electronic commerce by clarifying the legal status of electronic records and electronic signatures in the context of writing and signing requirements imposed by law;

(4) to facilitate the ability of private parties engaged in interstate transactions to agree among themselves on the terms and conditions on which they use and accept electronic signatures and electronic records; and

(5) to promote the development of a consistent national legal infrastructure necessary to support of electronic commerce at the Federal and State levels within existing areas of jurisdiction.

SEC. 4. DEFINITIONS.

In this Act:

(1) ELECTRONIC.—The term ''electronic'' means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(2) ELECTRONIC AGENT.—The term ''electronic agent'' means a computer program or an electronic or other automated means used to initiate an action or respond to electronic records or performances in whole or in part without review by an individual at the time of the action or response.

(3) ELECTRONIC RECORD.—The term ''electronic record'' means a record created, generated, sent, communicated, received, or stored by electronic means.

(4) ELECTRONIC SIGNATURE.—The term ''electronic signature'' means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record.

(5) GOVERNMENTAL AGENCY.—The term ''governmental agency'' means an executive, legislative, or judicial agency, department, board, commission, authority, institution, or instrumentality of the Federal Government or of a State or of any county, municipality, or other political subdivision of a State.

(6) RECORD.—The term ''record'' means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(7) TRANSACTION.—The term ''transaction'' means an action or set of actions relating to the conduct of commerce between 2 or more persons, neither of which is the United States Government, a State, or an agency, department, board, commission, authority, institution, or instrumentality of the United States Government or of a State.

(8) UNIFORM ELECTRONIC TRANSACTIONS ACT.—The term ''Uniform Electronic Transactions Act'' means the Uniform Electronic Transactions Act as reported to State legislatures by the National Conference of Commissioners on Uniform State Law in the form or any variation thereof that is authorized or provided for in such report.

SEC. 5. PRINCIPLES GOVERNING THE USE OF ELECTRONIC SIGNATURES IN INTERNATIONAL TRANSACTIONS.

To the extent practicable, the Federal Government shall observe the following principles in an international context to enable commercial electronic transaction:

(1) Remove paper-based obstacles to electronic transactions by adopting relevant principles from the Model Law on Electronic Commerce adopted in 1996 by the United Nations Commission on International Trade Law (UNCITRAL).

(2) Permit parties to a transaction to determine the appropriate authentication technologies and implementation models for their transactions, with assurance that those technologies and implementation models will be recognized and enforced.

(3) Permit parties to a transaction to have the opportunity to prove in court or other proceedings that their authentication approaches and their transactions are valid.

(4) Take a non-discriminatory approach to electronic signatures and authentication methods from other jurisdictions.

SEC. 6. INTERSTATE CONTRACT CERTAINTY.

(a) IN GENERAL.—The following rules apply to any commercial transaction affecting interstate commerce:

(1) A record or signature may not be denied legal effect or enforceability solely because it is in electronic form.

(2) A contract may not be denied legal effect or enforceability solely because an electronic record was used in its formation.

(3) If a law requires a record to be in writing, or provides consequences if it is not, an electronic record satisfies the law.

(4) If a law requires a signature, or provides consequences in the absence of a signature, the law is satisfied with respect to an electronic record if the electronic record includes an electronic signature.

(b) METHODS.—The parties to a contract may agree on the terms and conditions on which they will use and accept electronic signatures and electronic records, including the methods therefor, in commercial transactions affecting interstate commerce. Nothing in this subsection requires that any party enter into such a contract.

(c) INTENT.—The following rules apply to any commercial transaction affecting interstate commerce:

(1) An electronic record or electronic signature is attributable to a person if it was the act of the person. The act of the person may be established in any manner, including a showing of the efficacy of any security procedures applied to determine the person to which the electronic record or electronic signature was attributable.

(2) The effect of an electronic record or electronic signature attributed to a person under paragraph (1) is determined from the context and surrounding circumstances at the time of its creation, execution, or adoption, including the parties' agreement, if any, and otherwise as provided by law.

(d) FORMATION OF CONTRACT.—A contract relating to a commercial transaction affecting interstate commerce may not be denied legal effect solely because its formation involved—

(1) the interaction of electronic agents of the parties; or

(2) the interaction of an electronic agent of a party and an individual who acts on that individual's own behalf or for another person.

(e) APPLICATION IN UETA STATES.—This section does not apply in any State in which the Uniform Electronic Transactions Act is in effect.

SEC. 7. STUDY OF LEGAL AND REGULATORY BARRIERS TO ELECTRONIC COMMERCE.

(a) BARRIERS.—Each Federal agency shall, not later than 6 months after the date of enactment of this Act, provide a report to the Director

of the Office of Management and Budget and the Secretary of Commerce identifying any provision of law administered by such agency, or any regulations issued by such agency and in effect on the date of enactment of this Act, that may impose a barrier to electronic transactions, or otherwise to the conduct of commerce online or be electronic means. Such barriers include, but are not limited to, barriers imposed by a law or regulation directly or indirectly requiring that signatures, or records of transactions, be accomplished or retained in other than electronic form. In its report, each agency shall identify the barriers among those identified whose removal would require legislative action, and shall indicate agency plans to undertake regulatory action to remove such barriers among those identified as are caused by regulations issued by the agency.

(b) REPORT TO CONGRESS.—The Secretary of Commerce, in consultation with the Director of the Office of Management and Budget, shall, within 18 months after the date of enactment of this Act, and after the consultation required by subsection (c) of this section, report to the Congress concerning—

(1) legislation needed to remove barriers to electronic transactions or otherwise to the conduct of commerce online or by electronic means; and

(2) actions being taken by the Executive Branch and individual Federal agencies to remove such barriers as are caused by agency regulations or policies.

(c) CONSULTATION.—In preparing the report required by this section, the Secretary of Commerce shall consult with the General Services Administration, the National Archives and Records Administration, and the Attorney General concerning matters involving the authenticity of records, their storage and retention, and their usability for law enforcement purposes.

(d) INCLUDE FINDINGS IF NO RECOMMENDATIONS.—If the report required by this section omits recommendations for actions needed to fully remove identified barriers to electronic transactions or to online or electronic commerce, it shall include a finding or findings, including substantial reasons therefor, that such removal is impracticable or would be inconsistent with the implementation or enforcement of applicable laws.

AMENDMENT NO. 2787

Ms. COLLINS. Mr. President, Senators ABRAHAM, WYDEN, and LEAHY have an amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Ms. COLLINS] for Mr. ABRAHAM, for himself, Mr. WYDEN, and Mr. LEAHY, proposes an amendment numbered 2787.

The amendment is as follows:

The amendment is printed in today's RECORD under ''Amendments Submitted.''

Ms. COLLINS. I ask unanimous consent that the amendment be agreed to.

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

The amendment (No. 2787) was agreed to.

Ms. COLLINS. It is my understanding the Senator from Michigan, Senator ABRAHAM, has a statement to make on this important legislation.

I yield to the Senator from Michigan.

Mr. ABRAHAM. Mr. President, I will briefly comment on this legislation. First, I thank the cosponsors of this legislation, the Millennium Digital Commerce Act, and Senator WYDEN, the lead cosponsor of the legislation, and Senators MCCAIN, BURNS, and LOTT, who joined as cosponsors. I also thank Senator LEAHY, Senator SARBANES, Senator HOLLINGS, Senator MCCAIN and others who have worked with Senator WYDEN and me in moving this through the legislative process. I express my appreciation to all my colleagues.

As we move into the era of e-commerce it is important that people who wish to engage in commercial transactions online over the Internet be able to do so as effectively and efficiently as possible. Part of the challenge we confront is when people are entering into contracts in this nonwritten context, the potential exists for questions to be raised as to the validity of the contractual arrangements. Without getting into all the details, the goal of the Millennium Digital Commerce Act is to address this issue. Approximately 42 States have already passed what in effect are digital signature authentication laws which address contracts entered into online or which address the validity of contracts entered into through the web. The problem is those 42 bills are all different. It is possible for people to argue that a contract is valid in one State and not valid in the State of the other contracting party and, thus, is an invalid document.

The purpose of our legislation is to try to make all such agreements valid if they fit or meet some parameters, identical to the ones the States are moving toward; a uniform system. In short, we believe this will be an interim approach until the States have passed a model uniform act. If we don't do this, impediments will exist between parties who wish to contract via the Internet and through electronic commerce. We believe the passage of this bill will relieve those impediments and allow for e-commerce to continue to expand and grow and strengthen our economy.

I am very pleased at the passage of the bill today, and look forward to working with our counterparts in the House, they have passed a slightly different bill, to pound out a final consensus through the conferencing process and bring back to the Senate the output of that process. I hope to do this very early in the next session, so we can enact this legislation and move it to the President for his signature, and, as I said at the outset, improve the efficiency with which we engage in an expanded e-commerce universe.

I yield the floor.

Mr. LOTT. Mr. President, I want to acknowledge the significant efforts of Senator ABRAHAM to author and pass legislation aimed at facilitating the growth of electronic commerce. Commerce that everyone agrees is a significant driving force behind our nation's robust and expanding economy.

Today, the Senate passed by unanimous consent an Abraham substitute for S. 761, the Millennium Digital Commerce Act. This measure is important because it would ensure the legal certainty of electronic signatures in interstate commerce.

Mr. President, right now, there are over forty different state electronic authentication regimes in play. This patchwork of inconsistent and often conflicting state laws makes it difficult to conduct business-to-business and business-to-consumer transactions over the Internet. Those involved in electronic transactions want assurance that their contractual arrangements are legally binding.

Senator ABRAHAM took the lead on this issue and crafted a bill to ensure that a national framework would govern the use of electronic signatures. It is a rational, coherent, and minimalist approach. An approach supported by America Online, American Bankers Association, American Council of Life Insurance, the American Electronics Association, American Financial Services Association, American Insurance Association, Apple, Business Software Alliance, Charles Schwab, the Coalition for Electronic Authentication, Consumer Mortgage Coalition, DLJ Direct, the Electronic Industry Alliance, FORD, Gateway2000, General Electric Company, GTE, Hewlett-Packard, IBM, Intel, Intuit, the Information Technology Association of America, the Information Technology Industry Council, Microsoft, NCR, the National Association of Manufacturers, National Retail Federation, and the U.S. Chamber of Commerce, among others.

Mr. President, in drafting his legislation, Senator ABRAHAM included key concepts and provisions developed by the National Conference of Commissioners on Uniform State Law (NCCUSL). A NCCUSL working group, which included legal scholars, experts on electronic commerce, state officials and other interested stakeholders, spent the better part of two years drafting the Uniform Electronic Transactions Act (UETA). This model legislation was formally approved in August and is expected to be enacted on a state-by-state basis, much like the process followed in approving the Uniform Commercial Code, over the next three to five years.

Senator ABRAHAM's electronic signatures measure is timely in that it serves as an interim solution needed to fill the void until states approve the model UETA package.

I applaud the junior Senator from Michigan for his continuing leadership on technology issues and commend the Senate's action today. This is definitely a significant step in the right direction.

Mr. President, Senator ABRAHAM, my colleagues on this side of the aisle, and I agree that the measure passed today, while a significant accomplishment, only gets consumers to the 50-yard line when it comes to e-commerce. In order to get to the end-zone, Congress still needs to address the issue of electronic records.

The Millennium Digital Commerce Act that was unanimously approved by the Senate Commerce Committee in July would have also provided legal certainty to electronic records. However, eleventh hour objections from the minority, some of which were completely unrelated to this bill, thwarted repeated efforts to bring this crucial measure to the floor.

Mr. President, I would point out that the reported bill, with its electronic records provisions, had bipartisan support and was strongly endorsed by the Administration, not once, but twice. In fact the Office of Management and Budget's Statement of Administration Policy noted ''the Administration supports the passage of S. 761 . . . [Its] provisions strike the appropriate balance between the needs of each State to develop its own laws in relation to commercial transactions and the needs of the Federal government to ensure that electronic commerce will not be impeded by the lack of consistency in the treatment of electronic authentication.''

The Commerce Committee reported measure did not, as some contend, alter federal or state consumer protection laws. Instead, Senator ABRAHAM's bill simply held that records could not be denied legal effect solely, and the key word is ''solely,'' because such records were in electronic form.

Mr. President, consumers stand the most to gain from electronic records and the most to lose if such records are not clearly granted legal effect, validity, and enforceability. In order to further assuage concerns, Senator ABRAHAM, in earnest, offered a substitute version that largely incorporated key provisions of UETA, verbatim. Even so, and as perplexing as it would seem, his UETA substitute was opposed by the minority. Remember, these are the words developed and agreed to by an esteemed panel of national and state legal experts, and these are the same words that will go into effect as states adopt UETA during the next few years.

I would point out that the Department of Commerce, in its June 22, 1999 position letter supporting the Abraham substitute bill that passed the Commerce Committee, noted that ''In the view of the Administration, the current UETA draft adheres to the minimalist 'enabling' framework advocated by the Administration, and we believe that UETA will provide an excellent domestic legal model for electronic transactions, as well as a strong model for the rest of the world.''

With these glowing endorsements of both the Commerce Committee reported measure and UETA, both of which provide legal certainty to electronic records, I was surprised and dismayed that the Administration flip-flopped on the records issue at the last moment. One has to wonder what motivated this 180-degree change in position and why the Administration went to great lengths to stall and eventually oppose electronic transactions legislation that included digital records.

Consumers want and need electronic records, not only because digitized records are the equivalent of paper-notices, records, and disclosures, but also because such information is often easier to access, read, store and maintain. Electronic records will save consumers time, money, and the hassle of waiting for paper notices and disclosures. Used in conjunction with an electronic signature, electronic records, with appropriate and effective electronic disclosures, allow anyone, with a hook-up to the borderless World Wide Web, to transact business at any time and at any place.

Mr. President, it is the seamless nature of the Internet that makes it such a phenomenal communications and business medium. To ensure that no one is left out of this new millennium paradigm, the legal certainty of electronic records must be codified in federal statute—at least until UETA is adopted nationally. It is my sincere hope that Congress will address the legality of electronic records in the near term so consumers will experience the full benefits and to reap the rewards of the Internet.

Again, I want to applaud the efforts of the Senate in passing S. 761, Senator ABRAHAM's electronic signatures bill. This action is good for America's consumers, good for America's businesses, and good for our nation's economy and prosperity.

Mr. President, Senator ABRAHAM has once again proven that he is a champion of technology, a guardian of the consumer, and an extremely effective legislator.

Mr. LEAHY. Mr. President, I am pleased that the Senate today is passing the Abraham-Leahy substitute amendment to S.761, the Millennium Digital Commerce Act. This bill seeks to permit and encourage the continued expansion of electronic commerce, and to promote public confidence in its integrity and reliability. These are worthy goals—goals that I have long sought to advance. In the last Congress, many of us worked together to pass the Government Paperwork Elimination Act, which established a framework for the federal government's use of electronic forms and electronic signatures. Today's legislation is part of our continuing efforts to ease the burdens of conducting business electronically.

This is an important bill on an issue of paramount concern to American businesses that engage in electronic commerce. It has had a long journey since it was reported by the Commerce Committee in June. As reported, the bill took a sweeping approach, preempting untold numbers of federal, state and local laws that require contracts, records and signatures to be in traditional written form. I was concerned that such a sweeping approach would radically undermine legislation that is currently in place to protect consumers.

For example, the Committee-passed bill would have enabled businesses to use their superior bargaining power to compel or confuse consumers into waiving their rights to insist on paper disclosures and communications, even when they do not have the technological capacity to receive, retain, and print electronic records. Could a borrower be compelled to receive delinquency or foreclosure notices by electronic mail, even if she did not have a computer, or her computer could not read the notices in the electronic format in which they were sent? Would she be entitled to revert to paper communications if her computer broke or became obsolete? Could a company require customers to check its Web site for important safety information regarding its products, or for recall notices?

Under S.761 as reported, the company would not have been required to provide any information on paper, even if a state consumer protection law so required. Crucial information about the consumer's rights and obligations would not be received. It was federal preemption beyond need, to the detriment of American consumers.

The problem did not stop there. When information is provided electronically, for it to be useful at a later time to prove its contents, the electronic file must be tamperproof. Otherwise, a consumer could inadvertently change a single byte on the file and thus make it technically different from the original, and useless to prove its contents. The consumer would be left without any means of proving critical terms of the contract, including the terms of the warranty.

I have been working with Senator ABRAHAM and others since August to address these and other concerns I had with the bill. We crafted a bipartisan compromise several weeks ago, but it fell apart after certain industry representatives complained that it did not go far enough to relieve them of federal and state regulatory authority. Fortunately, other industry representatives recognized that this was not the primary or even an intended purpose of this legislation, and worked to get the legislative process back on track. I am pleased that we were able to do this and that we were able to reach agreement, for the second time, on an Abraham-Leahy substitute that encourages the continued expansion of electronic commerce, while leaving in place essential safeguards protecting the nation's consumers.

In a letter dated November 5, 1999, the National Conference of State Legislatures identified what it believed were four essential criteria for any federal legislation related to electronic signatures:

(1) Any preemption of state law and authority must be limited in duration. The idea should be to ensure the validity of most electronic signatures for a period of time, thus giving the states time to act. (2) States

must be allowed to adopt the Uniform Electronic Transactions Act or some similar legislation. (3) Essential state consumer protections must be preserved, along with the capacity of states to enact consumer protection measures in the future. (4) Any federal legislation must be limited to the topic of electronic signatures. It must not embrace any preemption of state regulatory and record keeping authority.

The Abraham-Leahy substitute meets these criteria.

Most importantly, the scope of the bill has been limited to address the principal concern of industry. When Senator ABRAHAM introduced S.761 earlier this year, he said it was designed to eliminate uncertainty about the legality of electronic contracts signed with electronic signatures. Consistent with this design, the Abraham-Leahy substitute ensures that contracts will not be denied legal effect that they otherwise have under state law solely because they are in electronic form or because they were signed electronically. However, as section 4(4) of the bill makes clear, an electronic signature is valid only if executed by a person who intended to sign the contract.

The purpose of this legislation is to facilitate electronic commerce over the Internet. It is not intended that this legislation be the basis for unfair or deceptive attempts by some to avoid providing mandated information, disclosures, notices or content. For example, when the parties have conducted a transaction entirely in person, the fine print of a form contract cannot include an agreement that the contract can be provided electronically rather than on paper. The basic rules of good faith and fair dealing apply to electronic commerce, and this legislation is not intended to be a basis upon which consumers can be asked to agree to terms and conditions for using electronic signatures and electronic records which are unreasonable based on the circumstances surrounding the transaction.

Further, accurate copies of contracts must be delivered to consumers. The Abraham-Leahy substitute amendment therefore provides that if a law requires a contract to be in writing, an electronic record of the contract will not satisfy such law unless it is delivered to all parties in a form that can be retained for later reference and used to prove the terms of the agreement. This important provision is intended to protect consumers who execute contracts online, by ensuring that contracts are provided in a tamperproof, or ''read-only'' format. The delivery of any other type of electronic record would make it useless to prove its terms in court.

The new legislation also improves on the Committee-passed version by eliminating its ''intent'' section, which established interpretive rules regarding the intent of the parties to an electronic transaction. These rules inappropriately allowed businesses to put the risk of forgery, unauthorized use, and identity theft on consumers, by making it easier for the proponent of an electronic record or electronic signature to prove its authenticity. By eliminating these rules, we have ensured that current contract and evidence laws remain in place. A person is always entitled to assert that an electronic signature is a forgery, was used without authority, or otherwise is invalid for reasons that would invalidate the effect of a signature in written form.

Having just last year worked with Senator KYL on passage of the Kyl-Leahy substitute to S.512, the Identity Theft and Assumption Deterrence Act, to combat identity theft, we should be careful to avoid taking actions that could have the unintended consequence of making such crimes easier to commit.

In his introductory floor statement, Senator ABRAHAM stressed that S.761 was an interim measure, which would provide a national baseline for the use of electronic signatures only until the states enacted their own e-signature legislation. To ensure the temporary nature of the federal preemption, the Abraham-Leahy substitute which passes the Senate today includes a significant change from earlier versions of S.761, including the version reported by the Commerce Committee. The Committee bill preempted a state's laws until the state enacted the Uniform Electronic Transactions Act (''UETA'') as reported by the National Conference of Commissioners on Uniform State Law, or any variation that was ''authorized or provided for in such report.'' The full Senate votes today on language that gives states more leeway on the version of the UETA that they choose to pass—including more leeway to adopt strong consumer protections. The revised definition is meant to cover the electronic transactions legislation passed earlier this year by the State of California, and will preserve the capacity of states to perform their traditional role in protecting the health and safety of their citizens.

Nothing in this bill would allow any of the notices that may accompany an electronic contract to be provided electronically. This is especially important to ensure that consumers are apprised of all their rights under federal and state laws. It was the records language of S.761 that held the greatest potential to harm consumers, with its across-the-board invalidation of hard-won consumer protections embodied in such laws as the Truth in Lending Act, the Fair Credit Reporting Act, the Real Estate Settlement Procedures Act, and others. I am pleased that the sponsors of this legislation agreed to remove the electronic records language so that we can allow the critical provisions regarding contracts and signatures to move forward. There will be time in the coming months to revisit the broader issue of electronic records, and to craft legislation that will not place consumers at risk.

In the meantime, contrary to some of the rhetoric that has been heard of late, nothing prevents companies from providing notices and disclosures to consumers electronically, so long as they also provide paper notices and disclosures in the limited set of circumstances in which a law so requires. Requirements that certain information be provided in a particular format, or by a particular method of delivery, are often adopted to serve consumers' interests by providing them with information critical to making informed choices in the marketplace, understanding their rights and obligations during commercial transactions, and enforcing their rights when transactions go sour. Such laws should not be swept away without adequate assurance that consumers will be able to receive and retain the information electronically.

The AARP made this point in a letter to all Senators dated November 15, 1999, with respect to the more sweepingly preemptive H.R. 1714: ''The time to investigate the implications of such a pivotal change in established consumer protections . . . is before, not after, legislation is enacted. Measures to take advantage of electronic market efficiencies must be tempered by a concern for legal and technological responsibilities that are being shifted to the consumer.''

The benefits of electronic commerce should not, and need not, come at the expense of increased risk to consumers. I commend the Department of Commerce for its help in crafting a substitute amendment that is more carefully tailored to protect the interests of America's consumers. I also thank Senators SARBANES, who shared many of my concerns about the original bill's impact on consumers, and Senators ABRAHAM and WYDEN, for agreeing to address our concerns.

This bill shows what can be achieved by bipartisan cooperation and compromise. It enjoys broad support from the Administration, the states, consumer representatives, and responsible companies and trade associations that care about their customers. I urge its speedy enactment into law.

I ask unanimous consent to include in the RECORD a Statement of Administration Policy dated November 8, 1999, in support of the Abraham-Leahy substitute amendment; a letter dated November 8, 1999, from the National Automobile Dealers Association, and a letter dated November 5, 1999, from the National Conference of State Legislatures.

STATEMENT OF ADMINISTRATION POLICY, NOVEMBER 8, 1999 (SENATE)

(This statement has been coordinated by OMB with the concerned agencies.)

S. 761—MILLENNIUM DIGITAL COMMERCE ACT (ABRAHAM (R) MICHIGAN AND 11 COSPONSORS)

Electronic commerce can provide consumers and businesses with significant benefits in terms of costs, choice, and convenience. The Administration strongly supports the development of this marketplace and supports legislation that will advance that development, while providing appropriate consumer protection. Many businesses and

consumers are still wary of conducting extensive business over the Internet because of the lack of a predictable legal environment governing transactions. Both the Congress and the Administration have been working to address this important potential impediment to commerce.

S. 761 addresses important concerns associated with electronic commerce and the rise of the Internet as a worldwide commercial forum and marketplace. The Administration supports Senate passage of the amendment in the nature of a substitute to S. 761 expected to be offered by Senator Abraham, based on an agreement with Senators Leahy and Wyden. The Administration supports this version of S. 761 because the bill, as proposed to be amended, would: Ensure the legal validity of contracts between private parties that are made and signed electronically; preserve the ability of States to establish safeguards, such as consumer protection laws, to promote the public interest in electronic commerce among private parties just as they can now establish safeguards for paper-based commerce; cover only commercial transactions between private parties that affect interstate commerce; not affect Federal laws or regulations, but instead would give Federal agencies six months to conduct a careful study of barriers to electronic transactions under Federal laws or regulations and to develop plans to remove such barriers, where appropriate; and sunset completely as to the law of any State that enacts the Uniform Electronic Transactions Act.

NATIONAL AUTOMOBILE DEALERS ASSOCIATION, OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, November 8, 1999.

Hon. PATRICK J. LEAHY,
Ranking Member, Committee on the Judiciary, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR LEAHY: On behalf of the National Automobile Dealers Association (NADA), I am writing to express our views on S. 761, the Millennium Digital Commerce Act.

Like many entrepreneurs throughout the country, America's new car and truck dealers are using today's technological advances to better serve customers, and at NADA we understand the desire to accelerate the role of electronic commerce. Even so, we share your desire to preserve the state's role in this process.

The automobile is one of the single biggest purchases that a consumer makes. As a result, state legislatures throughout the country have enacted various requirements and disclosures governing the purchase and sale of motor vehicles. In light of this extensive body of existing state law, an overly preemptive federal statute would deny the states the ability to protect their citizens in the manner they deem appropriate in these types of transactions.

NADA does not oppose a temporary federal rule to ensure that contracts can not be invalidated solely because they are in electronic form or because they are signed electronically. We believe, however, that any federal legislation should only be an interim measure to provide stability while the states consider the Uniform Electronic Transactions Act (UETA). Once a state adopts the UETA, the temporary federal rule should sunset.

We understand that some drafts of the legislation that have been put forward would allow the federal rule to preempt the UETA in effect in a state, thus denying the states the opportunity to be more protective of consumers should they so desire. If that provision is retained, we believe that motor vehicle transactions should not be covered by the federal rule. This exception would be necessary to ensure that the states could still perform their traditional role of establishing the legal framework for major purchases.

We appreciate the opportunity to bring our concerns to your attention, and we appreciate all your efforts in addressing these matters before the legislation moves forward in the Senate.

Sincerely,

H. THOMAS GREENE,
Chief Operating Officer, Legislative Affairs.

NATIONAL CONFERENCE OF STATE LEGISLATURES,
Washington, DC, November 5, 1999.

Hon. PATRICK J. LEAHY
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR LEAHY: The National Conference of State Legislatures understands the need to revise federal and state laws as a means of encouraging electronic commerce. In particular, NCSL understands that legislation is needed to allow the more widespread use of electronic signatures as a means of encouraging such commerce.

Over 40 state legislatures have addressed various state law issues related to the validity of electronic signatures. Nevertheless, NCSL has in principle no objection to federal legislation on this same topic, provided that it is tightly focused on removing barriers to legitimate electronic commerce and does not broadly preempt essential elements of state consumer protection and contract law.

NCSL believes that federal legislation related to electronic signatures must meet four criteria: (1) Any preemption of state law and authority must be limited in duration. The idea should be to ensure the validity of most electronic signatures for a period of time, thus giving the states time to act. (2) States must be allowed to adopt the Uniform Electronic Transactions Act or some similar legislation. (3) Essential state consumer protections must be preserved, along with the capacity of states to enact consumer protection measures in the future. (4) Any federal legislation must be limited to the topic of electronic signatures. It must not embrace any preemption of state regulatory and record keeping authority.

The version of S. 761 that is now being presented comes closer to meeting NCSL's criteria than earlier versions of the bill. In general, this ''compromise'' version is taking the right approach to the issue. NCSL looks forward to working with the sponsors and others to resolve any remaining issues of preemption and consumer protection. NCSL much prefers the new compromise to other earlier versions of electronic signatures legislation which we vigorously opposed because of its unnecessary preemption of state consumer protection and contract law.

For additional information about NCSL's position, please call Neal Osten (202–624–8660) or Michael Bird (202–624–8686).

Sincerely,

Joanne G. Emmons, *Michigan State Senate, Chair, NCSL Commerce and Communications Committee.*

Mr. ABRAHAM. Mr. President, the Senate is soon expected to pass the Millennium Digital Commerce Act—a bill introduced by Senators WYDEN, MCCAIN, BURNS, LOTT and myself which is designed to promote electronic commerce. I rise today to speak in support of this legislation and to thank the cosponsors for their tireless efforts to pass this legislation. I believe it will have a profound impact on the way commerce is conducted on the Internet.

By now, all of us have heard the prophetic pronouncements: ''The Internet will change of all of our lives.'' ''The Computer Age is reshaping the world.'' And so on. These words are true, and a review of the indicators which document the Internet's extraordinary growth bear this out. In 1993 about 90,000 Americans had access to these on-line resources. By early 1999 that number had grown to about 81 million, an increase of about 900 percent. The Computer Industry Almanac predicts 320 million Internet users world-wide by the end of the year 2000.

And now the figures are coming in on how electronic commerce is transforming the way we do business. They are equally impressive. E-commerce between businesses has grown to an estimate $64.8 billion for 1999. 10 million customers shopped for some product using the Internet in 1998 alone. And 5.3 million households had access to financial transactions like electronic banking and stock trading by the end of 1999.

While the Internet has experienced almost exponential growth since its inception, there is still room to expand. Today, new technologies enable the Internet to serve as an efficient new tool for companies to transact business as never before. This capability is provided by the development of secure electronic authentication methods. These technologies permit an individual to positively identify the person with whom they are transacting business and to ensure that information being shared by the parties has not been tampered with or modified without the knowledge of both parties. While such technologies are seeing limited use today, the growth of this application has out-paced government's ability to appropriately modify the legal framework governing the use of electronic signatures and other authentication methods.

The growth of electronic signature technologies will increasingly allow organizations to enter into contractual arrangements without ever having to drive across town or fly thousands of miles to personally meet with a client or potential business partner. The Internet is prepared to go far beyond the ability to buy a book or order apparel on-line. It is ready to lead a revolution in the execution of business transactions which may involve thousands or millions of dollars in products or services; transactions so important they require that both parties enter into a legally binding contract.

Mr. President, the Millennium Digital Commerce Act is designed to promote the use of electronic signatures in business transactions and contracts. At present, the greatest barrier to such transactions is the lack of a consistent and predictable national framework of rules governing the use of electronic signatures. Over forty States have enacted electronic authentication laws, and no two laws are the same. This inconsistency deters businesses from

fully utilizing electronic signature technologies for contracts and other business transactions. The differences in our State laws create uncertainty about the effectiveness or legality of an electronic contract signed with an electronic signature. This legal uncertainty limits the potential of electronic commerce, and, thus, our nation's economic growth.

Fortunately, the need for uniformity in electronic authentication rules was recognized early by the States. For the past two years, the National Conference of Commissioners on Uniform State Law, an organization comprised of e-commerce experts from the States, has been working to develop a uniform system for the use of electronic signatures for all fifty States. Their product, the Uniform Electronic Transactions Act, or UETA, was finished in July. As was expected, the UETA is an excellent piece of work and I look forward to the day when this model legislation is enacted by each of the 50 states.

But agreement on the final language of the UETA proposal is not the same as enactment, and despite the hard work of the Commissioners, uniformity will not occur until all fifty States actually enact the UETA. That will likely take some time. Because some State legislatures are not in session next year and other States have more pressing legislative items, it could take three to four years for forty-five or fifty States to enact the UETA. When you consider the changes that have taken place in just the last two years, it is obvious that in the high-technology sector four years is an eternity.

The Digital Millennium Commerce Act is therefore designed as an interim measure to provide relief until the States adopt the provisions of the UETA. It will provide companies the federal framework they need until a national baseline governing the use of electronic authentication exists at the State level. Once States enact the UETA, the Federal preemption is lifted.

To be specific, this legislation promotes electronic commerce in the following manner. First and foremost, the legislation provides that the electronic signatures used to agree to a contract shall not be denied effect solely because they are electronic in nature. This provision assures that a company will be able to rely on an electronic contract and that another party will not be able to escape such certainty, this bill will reduce the likelihood of dissatisfied parties attempting to escape electronic contractual agreements and transactions.

To ensure a level playing field for all types of authentication, the bill grants parties to a transaction the freedom to determine the technologies to be used in the execution of an electronic contract. In essence, this assures technology neutrality because businesses and consumers, not government, will make the decisions as to what type of electronic signatures and authentication technologies will be used in transactions.

Since the Internet is inherently an international medium, consideration must also be given to the manner in which the U.S. conducts business with overseas governments and businesses. This legislation therefore sets forth a series of principles for the international use of electronic signatures. In the last year, U.S. negotiators have been meeting with the European Commissioners to discuss electronic signatures in international commerce. In these negotiations, the U.S. Department of Commerce and the State Department have worked in support of an open system governing the use of authentication technologies. Some European nations oppose this concept, however. For example, Germany insists that electronic transactions involving a German company must utilize a German electronic signature application. I applaud the Administration for their steadfast opposition to that approach. This bill will bolster and strengthen the U.S. position in these international negotiations by establishing the following principles as the will of the Congress:

One, paper-based obstacles to electronic transactions must be eliminated.

Two, parties to an electronic transaction should choose the electronic authentication technology.

Third, parties to a transaction should have the opportunity to prove in court that their authentication approach and transactions are valid.

Fourth, the international approach to electronic signatures should take a non-discriminatory approach to electronic signature. This will allow the fees market—not a government—to determine the type of authentication technologies used in international commerce.

Mr. President, it is my hope that adoption of these principles will increase the likelihood of an open, market-based international framework for electronic commerce.

Finally, the bill directs the Department of Commerce and Office of Management and Budget to report on Federal laws and regulations that might pose barriers to e-commerce and report back to Congress on the impact of such provisions and provide suggestions for reform. Such a report will serve as the basis for Congressional action, or inaction, in the future.

Mr. President, Senator WYDEN, Senator MCCAIN, Senator BURNS, the Majority Leader and I worked very hard to address the multiple of issues and concerns raised by those most affected by this legislation, namely the high-tech industry, the states and the consumer. I also want to recognize the considerable time and effort dedicated to this legislation by Senator LEAHY, Senator HOLLINGS and Senator SARBANES. Senators LEAHY and SARBANES worked diligently with the sponsors of this bill to address protection issues. In particular, my colleagues were concerned about the effects of this legislation on the notification and disclosure requirements required by law. I understand very well the concerns my colleagues raised and I agree with many, but not all, of their conclusions.

I believe the use of electronic records in electronic transactions is crucial to real growth in electronic commerce. And if e-commerce is to truly expand the opportunities for individuals, businesses and consumers must have the freedom to agree to the types of documents and information they receive electronically. This right to choose to receive records electronically must be provided by Congress. The best way to do that is to pass laws which establish legal certainties for the sending, receipt and storage for the broad range of electronic records, and in particular, for records associated with loans and mortgages. Today, a vacuum exists with respect to these records. Aggressive businesses and small banks are filling this vacuum by providing loans and mortgages electronically even though there is question as to whether such transactions are protected under law. The increasing demand for such services demonstrates the popularity for electronic loans. By making applications easier and reducing associated consumer costs, these businesses are providing a service which is becoming increasingly popular with the American public. Rather than ignore this new market, or worse, condemn it, Congress should work with the industry and the proper regulatory agencies to ensure that these increased consumer opportunities are maintained and that relevant consumer protection provisions are modernized. I believe my proposal to permit individuals to opt-in to the receipt of records and to opt-out of receipt at any time represented reasonable middle ground on this issue, and am disappointed that my colleagues and I could not agree on a framework for records based on this model.

I intend to continue working toward a resolution which will permit individuals to have access to electronic records. It is simply in the long-term best interest of both consumers and the economy. And I am sure I will not labor on this effort alone. I am pleased to note that, among parties familiar with this debate, there is growing support for legislation to quickly address this important issue.

Mr. President, despite our philosophical differences, it was clear from the beginning that everyone involved was interested in working cooperatively to enact good legislation. And while I wish this bill could go further, I am nevertheless pleased with the product that we have passed today. So I want to thank Senator LEAHY and Senator SARBANES for their cooperation and hard work. I also want to recognize the efforts of the Ranking Member of the Commerce Committee, Senator HOLLINGS. Senator HOLLINGS made

it clear very early that he had concerns surrounding the issue of preemption. His staff and mine worked quickly and effectively to find common ground on this legislation and his spirit of compromise allowed us to move forward on a bill that I do not doubt he would have written differently. I want to thank him for his contribution.

Finally, I wish to express my thanks to the Technology Division of the State of Massachusetts. Governor Paul Cellucci's staff provided indispensable counsel on existing State law governing the use of electronic signatures and the manner in which Federal law can bolster or hamstring State contract law. I value the Governor's input and will continue to work with him to address the extent to which the States are impacted by this legislation as it advances. Of course, the business and technology sectors have also been crucial in helping to craft this bill. Representatives from the Information Technology Association of America, Ford, the Coalition for Electronic Authentication, the Information Technology Industry Council, Apple, the American Electronics Association, NCR, America Online, the Electronic Industry Alliance, Microsoft, Hewlett-Packard, IBM and the National Association of Manufacturers have each lent their time and expertise to this effort. I appreciate their contributions and look forward to continuing this effort to ensure that we develop the best approach possible to promote use of electronic signatures in business transactions.

Mr. President, despite the great work that has taken place here in the Senate, there is more work to do on this legislation. The House is currently working on a companion bill and I look forward to working with the Chairman of the Commerce Committee and other Representatives to ensure that the legislation sent to the President for his signature is the best and most effective approach to expanding electronic commerce possible.

Mr. SARBANES. Mr. President, I rise today to discuss S. 761, the Third Millennium Digital Commerce Act. This is an important bill at a pivotal time in our nation's history. The rapid growth of the Internet, and its transformation from an academic research tool to a truly global communications network, is exerting its influence in more and more areas of our daily lives.

One are of enormous change is the way in which Americans buy, sell, and trade products and services. Just as the general store gave way to the shopping mall and mail order catalogues, these now ''traditional'' forms of retailing are being supplanted by electronic commerce over the Internet. Electronic retailers are providing consumers with a broad range of new choices in goods and services.

Electronic transactions are also becoming an integral part of business-to-business relationships. Ordering, billing, and a host of other activities are now being handled by electronic means, cutting both costs and transaction times. These techniques will make our overall economy more efficient, and the benefits should eventually be passed on to consumers.

The world of electronic commerce is not without its problems, however. One of the largest of these is the lack of coherent legal framework for the conduct of electronic transactions. The commercial world is governed by a patchwork of Federal, state, and local laws. Because electronic commerce is such a recent phenomenon, it can be difficult to apply existing commercial codes and statutes to these new kinds of transactions. Often the laws are simply silent on electronic issues, leading to uncertainty for businesses and consumers alike.

One such area is electronic signatures. Technology now exists that can replace written signatures on paper documents with computer code that performs the same functions. However, many states have not yet enacted laws to ensure that digital signature technologies, when used in a reasonable and appropriate manner, will be considered valid. According to business groups, this uncertainty has had a dampening effect on the growth of electronic commerce.

Many state legislatures are hard at work to devise a workable, consistent legal framework for electronic records and signatures. Until their efforts are complete, however, S. 761, the bill introduced by Senator ABRAHAM, will serve as a stop-gap measure. It will provide a measure of legal certainty, while protecting the rights of consumers under existing laws governing many types of transactions.

I am pleased to have worked closely with Senator ABRAHAM, Senator LEAHY, Senator WYDEN, members of the Commerce Committee, industry, and consumer groups to craft a bill that answers the legal need, yet provides for continued consumer protections. I would like briefly to describe some of these critical consumer protection aspects of the bill.

While electronic commerce can provide consumers with enormous benefits, a sad stream of news articles over the past few years show clearly that there are unscrupulous operators on the Internet. The passage of this Act is intended to serve as a means of protecting consumers from deceptive practices.

To provide businesses with greater legal certainty, the bill stipulates that contracts cannot be deemed unenforceable solely because they involved the use of an electronic signature. Under this bill, companies and consumers should only be able to agree to reasonable and appropriate electronic signature technologies that provide adequate security to both parties. However, as the definition of the electronic signature makes clear, the electronic signature is only valid under this Act if the person intended to sign the contract.

The basic rules of good faith and fair dealing apply to electronic commerce, and this Act should not be the basis upon which parties to a contract can be asked to agree to terms and conditions for using electronic signatures and electronic contracts which are unreasonable based on the circumstances surrounding the transaction. For example, when the parties have conducted a transaction entirely in person, the fine print of a form contract should not include an agreement that the contract can be provided electronically rather than on paper. In addition, companies must deliver to consumers electronic records of the contract in a form they can receive, retain, and use to prove the terms of an agreement. Such an electronic record would have to be provided in a ''locked,'' or tamper proof, format.

Regarding new laws on electronic transactions, the states have been engaged for some time, through the National Conference of Commissioners on Uniform State Laws, in the formulation of a model Uniform Electronic Transactions Act (UETA). Versions of the UETA will be enacted by the individual states. The bill we are considering today includes a revised definition of UETA, changed from the bill reported by the Commerce Committee, that gives states more flexibility to pass versions of UETA that best meet the needs of their citizens. It is intended that California's recently passed version of UETA, for example, meet this test.

I would like once again to thank my colleagues, Senator ABRAHAM, Senator LEAHY, and Senator WYDEN for their hard work on this issue. I believe that we have reached an accommodation on this legislation that provides industry with the provisional legal certainty they seek, while ensuring that existing consumer laws are not diluted by the increasing use of electronic commerce. This is an important step toward making our commercial laws ready for the twenty-first century.

Mr. LIEBERMAN. Mr. President, I rise today to express my support for the Millennium Digital Commerce Act of 1999. I thank Senators ABRAHAM, LEAHY, and WYDEN for their leadership on this important issue. As a cosponsor of this legislation, I am proud of the steps it takes to support an important and still emerging technology and industry. The Millennium Digital Commerce Act will facilitate the continued growth of the Internet and of electronic commerce. With this legislation, the Senate recognizes the significant transformations taking place in our economy and how we do business today and into the future.

I think we all recognize that we are witnessing an electronic revolution. There is no shortage of statistics to prove what we are seeing all around us. According to a recent U.S. Department of Commerce report, approximately one third of the U.S. economic growth

in the past few years has come from information technologies (over $1.1 trillion). Just this year, venture capitalists have invested more than $8 billion in Internet companies—twice the rate of last year.

According to a University of Texas report, e-commerce is growing at a much faster rate than many had expected. The digital economy generated more than $300 billion in revenue in 1998 and was responsible for 1.2 million jobs. Many e-commerce companies in my State of Connecticut, like Micro-Warehouse in Norwalk, Coastal Tool & Supply in West Hartford, and Sagemaker Inc. of Fairfield, are leading the way in the digital economy.

In the Senate, I have worked to support the growth of e-commerce by cosponsoring the Internet Tax Freedom Act which places a three year moratorium on new state and local taxes on the Internet in order to give the digital economy some breathing room to evolve.

This legislation takes further steps to continue the growth of e-commerce and is a powerful follow-on to the Internet Tax Freedom Act. With this legislation we will eliminate a major barrier to e-commerce by providing for the legal recognition of electronic signatures in contracting and by creating a consistent, but temporary, national electronic signatures law to preempt a multitude of sometimes inconsistent state laws. This bill is technology neutral, allowing contracting parties to determine the appropriate electronic signature technology for their transaction. Importantly, this legislation is the result of thoughtful compromise. It gives electronic signatures more legal certainty but also provides for consumer protection. It deals with electronic signatures only in creating contracts. It preempts state law only until the states enact their own statutes and standards as provided for by the Uniform Electronic Transactions Act (UETA).

Mr. President, I would like to thank those who have worked so diligently to create this Act. Through the considerate and collaborative approach of several of my colleagues, including Senators ABRAHAM, LEAHY, and WYDEN, we now have legislation with language that achieves a broad public purpose. We are now able to continue supporting the growth and evolution of electronic commerce and technologies that will effectively bring us into the next century.

Mr. WYDEN. Mr. President, for the past several years, Congress has been working in a bipartisan way to write the rules of the digital economy. We have made significant progress on Internet taxes, privacy, encryption and the Y2K problem. Now is the time to move forward on rules for electronic signatures.

The bill before us today, S. 761, is based on the premise that it's better to be online than waiting in line. A growing number of Americans who now have to wait in line for things like a driver's license or construction permit, could see their business expedited by a few clicks of their mouse.

We live in an increasingly mobile society, where young people get recruited for jobs clear across the country. They may need to move in a hurry but don't have the time, for example, to pack up a home in Virginia and look for another one in Portland, Oregon. With the Internet, they can shop for a house in another town. With this electronic signatures bill, they can pretty much conclude the whole transaction of purchasing the house online.

The legislation puts electronic and paper contracts and agreements on equal footing legally. Like the Internet Tax Freedom Act, the bill would establish technological neutrality between electronic and paper contracts and agreements. This means consumers will enjoy the same legal protections when purchasing a car or home online as when they walk into an auto dealership or real estate office and sign all the documents in person. We worked long and hard to make sure that the system established here benefits consumers who wish to receive information electronically without treating those without computers as second class citizens.

This legislation does not address the issue of electronic records because this matter deserves more thorough study and discussion. I intend to work with all interested parties on this—from consumer groups to financial services firms—over the course of the coming months to craft legislation that will extend the benefits of this measure to electronic records in a way that continues consumer protections.

Commercial transactions have traditionally been governed by State laws which are modeled on the Uniform Commercial Code. Forty-two states have some law in place relating to digital authentication. But differences between and among these laws can create confusion for e-entrepreneurs. The unstoppable growth of electronic commerce has led the States recently to develop a Uniform Electronic Transactions Act, or UETA (as part of the Uniform Commercial Code), to serve as a model for each State legislature in developing further its own electronic signatures law. However, only one State—California—has enacted a UETA. The purpose of this legislation is to provide interim Federal legal validity for electronic contracts and agreements until each state enacts its own UETA. This means e-commerce will not be hamstrung by the lack of legal standing.

I would like to take a minute to run through the highlights of S. 761:

Technological neutrality: It allows electronic signatures to replace written signatures. In interstate commerce a contract cannot be denied legal effect solely because of an electronic signature, electronic record or an electronic agent was used in its formation.

Choice of technology: It does not dictate the type of electronic signature technology to be used; it allows the parties to a transaction to choose their own authentication technology.

Consumer protections: It protects consumer rights under State laws; it does not preempt State consumer protection laws. It assures that consumers without a computer are not treated as second class citizens. If a consumer buys a car online, the consumer cannot be forced to use the computer to receive important recall or safety notices but retains the option to continue to get such notices through the mail.

No State preemption: Its provisions sunset when a State enacts UETA.

Excludes matters of family law: It specifically excludes agreements relating to marriage, adoption, premarital agreements, divorce, residential landlord-tenant matters because these are not commercial transactions.

Report on Federal statutory barriers to electronic transactions: It requires OMB to report to Congress 18 months after enactment identifying statutory barriers to electronic transactions and recommending legislation to remove such barriers.

In conclusion, M. President, I wish to acknowledge the leadership of Sen. ABRAHAM in moving this legislation forward. He and I have teamed up successfully on other legislation, and it was a pleasure to work with him and his tireless staff on this bill. I also want to recognize the contribution of Senator LEAHY, particularly with regard to the consumer protection provisions, as well as the effort of Senator HOLLINGS. It took a bipartisan team to get this bill through the Senate today, and I look forward to continuing to work with this team as we go to conference with the House on S. 761.

I ask unanimous consent that my statement be printed in the record following Senator ABRAHAM's statement on the passage of S. 761.

Mr. LIEBERMAN. Mr. President, I rise today to express my support for the Millennium Digital Commerce Act of 1999. I thank Senators ABRAHAM, LEAHY, and WYDEN for their leadership on this important issue. As a cosponsor of this legislation, I am proud of the steps it takes to support an important and still emerging technology and industry. The Millennium Digital Commerce Act will facilitate the continued growth of the Internet and of electronic commerce. With this legislation, the Senate recognizes the significant transformations taking place in our economy and how we do business today and into the future.

I think we all recognize that we are witnessing an electronic revolution. There is no shortage of statistics to prove what we are seeing all around us. According to a recent U.S. Department of Commerce report, approximately one third of the U.S. economic growth in the past few years has come from information technologies (over $1.1 trillion). Just this year, venture capitalists have invested more than $8 billion

in Internet companies—twice the rate of last year.

According to a University of Texas report, e-commerce is growing at a much faster rate than many had expected. The digital economy generated more than $300 billion in revenue in 1998 and was responsible for 1.2 million jobs. Many e-commerce companies in my State of Connecticut, like Micro-Warehouse in Norwalk, Coastal Tool & Supply in West Hartford, and Sagemaker Inc. of Fairfield, are leading the way in the digital economy.

In the Senate, I have worked to support the growth of e-commerce by cosponsoring the Internet Tax Freedom Act which places a three year moratorium on new state and local taxes on the Internet in order to give the digital economy some breathing room to evolve.

This legislation takes further steps to continue the growth of e-commerce and is a powerful follow-on to the Internet Tax Freedom Act. With this legislation we will eliminate a major barrier to e-commerce by providing for the legal recognition of electronic signatures in contracting and by creating a consistent, but temporary, national electronic signatures law to preempt a multitude of sometimes inconsistent state laws. This bill is technology neutral, allowing contracting parties to determine the appropriate electronic signature technology for their transaction. Importantly, this legislation is the result of thoughtful compromise. It gives electronic signatures more legal certainty but also provides for consumer protection. It deals with electronic signatures only in creating contracts. It preempts state law only until the states enact their own statutes and standards as provided for by the Uniform Electronic Transactions Act (UETA).

Mr. President, I thank those who have worked so diligently to create this Act. Through the considerate and collaborative approach of several of my colleagues, including Senators ABRAHAM, LEAHY, and WYDEN, we now have legislation with language that achieves a broad public purpose. We are now able to continue supporting the growth and evolution of electronic commerce and technologies that will effectively bring us into the next century.

Ms. COLLINS. Mr. President, I ask unanimous consent the committee amendment in the nature of a substitute be agreed to as amended, the bill be read the third time and passed, the motion to reconsider laid upon the table, and any statements be printed in the RECORD.

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

The committee amendment in the nature of a substitute was agreed to.

The bill (S. 761), as amended, was read the third time and passed, as follows:

[The bill was not available for printing. It will appear in a future edition of the RECORD.]

UNANIMOUS-CONSENT AGREEMENT

Ms. COLLINS. Mr. President, I ask unanimous consent at 4 p.m. the Senate proceed to the Work Incentives conference report, and that there be 120 minutes equally divided in the usual form, with an additional 10 minutes under the control of Senator LOTT. I further ask consent that following the use or yielding back of time, the vote on the adoption of the conference report occur immediately following the vote on adoption of the conference report to accompany H.R. 3195.

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

Ms. COLLINS. I further ask consent immediately following the vote on the adoption of the conference report, H. Con. Res. 236 be agreed to, and the motion to reconsider be laid upon the table.

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

CHURCH PLAN PARITY AND ENTANGLEMENT PREVENTION ACT OF 1999

Ms. COLLINS. Mr. President, I ask unanimous consent the health committee be discharged from further consideration of S. 1309 and that the Senate proceed to its immediate consideration.

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

The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1309) to amend title I of the Employee Retirement Income Security Act of 1974 to provide for the preemption of State law in certain cases relating to certain church plans.

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

AMENDMENT NO. 2788

(Purpose: To provide for a complete substitute)

Ms. COLLINS. Mr. President, there is a substitute amendment at the desk submitted by Senators SESSIONS and JEFFORDS. I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Ms. COLLINS] for Mr. SESSIONS, for himself, and Mr. JEFFORDS, proposes an amendment numbered 2788.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. PURPOSE.

The purpose of this Act is only to clarify the application to a church plan that is a welfare plan of State insurance laws that require or solely relate to licensing, solvency, insolvency, or the status of such plan as a single employer plan.

SEC. 2. CLARIFICATION OF CHURCH WELFARE PLAN STATUS UNDER STATE INSURANCE LAW.

(a) IN GENERAL.—For purposes of determining the status of a church plan that is a welfare plan under provisions of a State insurance law described in subsection (b), such a church plan (and any trust under such plan) shall be deemed to be a plan sponsored by a single employer that reimburses costs from general church assets, or purchases insurance coverage with general church assets, or both.

(b) STATE INSURANCE LAW.—A State insurance law described in this subsection is a law that—

(1) requires a church plan, or an organization described in section 414(e)(3)(A) of the Internal Revenue Code of 1986 and section 3(33)(C)(i) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(33)(C)(i)) to the extent that it is administering or funding such a plan, to be licensed; or

(2) relates solely to the solvency or insolvency of a church plan (including participation in State guaranty funds and associations).

(c) DEFINITIONS.—For purposes of this section:

(1) CHURCH PLAN.—The term ''church plan'' has the meaning given such term by section 414(e) of the Internal Revenue Code of 1986 and section 3(33) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(33)).

(2) REIMBURSES COSTS FROM GENERAL CHURCH ASSETS.—The term ''reimburses costs from general church assets'' means engaging in an activity that is not the spreading of risk solely for the purposes of the provisions of State insurance laws described in subsection (b).

(3) WELFARE PLAN.—The term ''welfare plan''—

(A) means any church plan to the extent that such plan provides medical, surgical, or hospital care or benefits, or benefits in the event of sickness, accident, disability, death or unemployment, or vacation benefits, apprenticeship or other training programs, or day care centers, scholarship funds, or prepaid legal services; and

(B) does not include any entity, such as a health insurance issuer described in section 9832(b)(2) of the Internal Revenue Code of 1986 or a health maintenance organization described in section 9832(b)(3) of such Code, or any other organization that does business with the church plan or organization sponsoring or maintaining such a plan.

(d) ENFORCEMENT AUTHORITY.—Notwithstanding any other provision of this section, for purposes of enforcing provisions of State insurance laws that apply to a church plan that is a welfare plan, the church plan shall be subject to State enforcement as if the church plan were an insurer licensed by the State.

(e) APPLICATION OF SECTION.—Except as provided in subsection (d), the application of this section is limited to determining the status of a church plan that is a welfare plan under the provisions of State insurance laws described in subsection (b). This section shall not otherwise be construed to recharacterize the status, or modify or affect the rights, of any plan participant or beneficiary, including participants or beneficiaries who make plan contributions.

Ms. COLLINS. I ask unanimous consent that the amendment be agreed to.

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

The amendment (No. 2788) was agreed to.

Ms. COLLINS. Mr. President, I ask unanimous consent the bill be read the third time and passed, as amended, the motion to reconsider be laid upon the table and any statements be printed in the RECORD.

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

The bill (S. 1309), as amended, was read the third time and passed, as follows:

S. 1309

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

SECTION 1. PURPOSE.

The purpose of this Act is only to clarify the application to a church plan that is a welfare plan of State insurance laws that require or solely relate to licensing, solvency, insolvency, or the status of such plan as a single employer plan.

SEC. 2. CLARIFICATION OF CHURCH WELFARE PLAN STATUS UNDER STATE INSURANCE LAW.

(a) IN GENERAL.—For purposes of determining the status of a church plan that is a welfare plan under provisions of a State insurance law described in subsection (b), such a church plan (and any trust under such plan) shall be deemed to be a plan sponsored by a single employer that reimburses costs from general church assets, or purchases insurance coverage with general church assets, or both.

(b) STATE INSURANCE LAW.—A State insurance law described in this subsection is a law that—

(1) requires a church plan, or an organization described in section 414(e)(3)(A) of the Internal Revenue Code of 1986 and section 3(33)(C)(i) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(33)(C)(i)) to the extent that it is administering or funding such a plan, to be licensed; or

(2) relates solely to the solvency or insolvency of a church plan (including participation in State guaranty funds and associations).

(c) DEFINITIONS.—For purposes of this section:

(1) CHURCH PLAN.—The term ''church plan'' has the meaning given such term by section 414(e) of the Internal Revenue Code of 1986 and section 3(33) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(33)).

(2) REIMBURSES COSTS FROM GENERAL CHURCH ASSETS.—The term ''reimburses costs from general church assets'' means engaging in an activity that is not the spreading of risk solely for the purposes of the provisions of State insurance laws described in subsection (b).

(3) WELFARE PLAN.—The term ''welfare plan''—

(A) means any church plan to the extent that such plan provides medical, surgical, or hospital care or benefits, or benefits in the event of sickness, accident, disability, death or unemployment, or vacation benefits, apprenticeship or other training programs, or day care centers, scholarship funds, or prepaid legal services; and

(B) does not include any entity, such as a health insurance issuer described in section 9832(b)(2) of the Internal Revenue Code of 1986 or a health maintenance organization described in section 9832(b)(3) of such Code, or any other organization that does business with the church plan or organization sponsoring or maintaining such a plan.

(d) ENFORCEMENT AUTHORITY.—Notwithstanding any other provision of this section, for purposes of enforcing provisions of State insurance laws that apply to a church plan that is a welfare plan, the church plan shall be subject to State enforcement as if the church plan were an insurer licensed by the State.

(e) APPLICATION OF SECTION.—Except as provided in subsection (d), the application of this section is limited to determining the status of a church plan that is a welfare plan under the provisions of State insurance laws described in subsection (b). This section shall not otherwise be construed to recharacterize the status, or modify or affect the rights, of any plan participant or beneficiary, including participants or beneficiaries who make plan contributions.

Mr. LEAHY. Mr. President, the Senate is today passing an important bill, S. 1257, the Hatch-Leahy-Schumer ''Digital Theft Deterrence and Copyright Damages Improvement Act of 1999.'' This legislation should help our copyright industries, which in turn helps both those who are employed in those industries and those who enjoy the wealth of consumer products, including books, magazines, movies, and computer software, that makes the vibrant culture of this country the envy of the world. This legislation has already traveled an unnecessarily bumpy road to get to this stage, and it is my hope that it will be sent promptly to the President's desk.

On July 1, 1999, the Senate passed four intellectual property bills which Senator HATCH and I had joined in introducing and which the Judiciary Committee had unanimously reported. Each of these bills (S. 1257, which we consider today; S. 1258, the Patent Fee Integrity and Innovation Protection Act; S. 1259, the Trademark Amendments Act; and S. 1260, the Copyright Act Technical Corrections Act) make important improvements to our intellectual property laws, and I congratulate Senator HATCH for his leadership in moving these bills promptly through the Committee.

Three of those four bills then passed the House without amendment and were signed by the President on August 5, 1999. The House sent back to the Senate S. 1257, the Digital Theft Deterrence and Copyright Damages Improvement Act, with two modifications which I will describe below.

I have long been concerned about reducing the levels of software piracy in this country and around the world. The theft of digital copyrighted works and, in particular, of software, results in lost jobs to American workers, lost taxes to Federal and State governments, and lost revenue to American companies. A recent report released by the Business Software Alliance estimates that worldwide theft of copyrighted software in 1998 amounted to nearly $11 billion. According to the report, if this ''pirated software has instead been legally purchased, the industry would have been able to employ 32,700 more people. In 2008, if software piracy remains at its current rate, 52,700 jobs will be lost in the core software industry.'' This theft also reflects losses of $991 million in tax revenue in the United States.

These statistics about the harm done to our economy by the theft of copyrighted software alone, prompted me to introduce the ''Criminal Copyright Improvement Act'' in both the 104th and 105th Congresses, and to work for passage of this legislation, which was finally enacted as the ''No Electronic Theft Act of 1997,'' Pub. L. 105–147. The current rates of software piracy show that we need to do better to combat this theft, both with enforcement of our current copyright laws and with strengthened copyright laws to deter potential infringes.

The Hatch-Leahy-Schumer ''Digital Theft Deterrence and Copyright Damages Improvement Act'' would help provide additional deterrence by amending the Copyright Act, 17 U.S.C. §504(c), to increase the amounts of statutory damages recoverable for copyright infringements. These amounts were last increased in 1988 when the United States acceded to the Berne Convention. Specifically, the bill would increase the cap on statutory damages by 50 percent, raising the minimum from $500 to $750 and raising the maximum from $20,000 to $30,000. In addition, the bill would raise from $100,000 to $150,000 the amount of statutory damages for willful infringements.

Courts determining the amount of statutory damages in any given case would have discretion to impose damages within these statutory ranges at just and appropriate levels, depending on the harm caused, ill-gotten profits obtained and the gravity of the offense. The bill preserves provisions of the current law allowing the court to reduce the award of statutory damages to as little as $200 in cases of innocent infringement and requiring the court to remit damages in certain cases involving nonprofit educational institutions, libraries, archives, or public broadcasting entities.

Finally, the bill provides authority for the Sentencing Commission expeditiously to fulfill its responsibilities under the No Electronic Theft Act, which directed the Commission to ensure that the guidelines provide for consideration of the retail value and quantity of the items with respect to which the intellectual property offense was committed. Since the time that this law became effective, the Sentencing Commission has not had a full slate of Commissioners serving. In fact, we have had no Commissioners since October, 1998. This situation was corrected last week with the confirmation of seven new Commissioners.

As I noted, the House amended the version of S. 1257 that the Senate passed in July in two ways. First, the original House version of this legislation, H.R. 1761, contained a new proposed enhanced penalty for infringers who engage in a repeated pattern of infringement, but without any scienter requirement. I shared the concerns raised by the Copyright Office that this provision, absent a willfulness scienter requirement, would permit imposition of the enhanced penalty even against person who negligently, albeit repeatedly, engaged in acts of infringement. Consequently, the Hatch-Leahy-Schumer bill, S. 1257, that we sent to the House in July avoided casting such a wide net, which could chill legitimate fair uses of copyrighted works. Instead, the bill we sent to the House would have created a new tier of statutory

damages allowing a court to award damages in the amount of $250,000 per infringed work where the infringement is part of a willful and repeated pattern or practice of infringement. The entire ''pattern and practice'' provision, which originated in the House, has been removed from the version of S. 1257 sent back to the Senate.

Second, the original House version of this legislation provided a direction to the Sentencing Commission to amend the guidelines to provide an enhancement based upon the retail price of the legitimate items that are infringed and the quantity of the infringing items. I was concerned that this direction would require the Commission and, ultimately, sentencing judges to treat similarly a wide variety of infringement crimes, no matter the type and magnitude of harm. This was a problem we avoided in the carefully crafted Sentencing Commission directive originally passed as part of the No Electronic Theft Act. Consequently, the version of S. 1257 passed by the Senate in July did not include the directive to the Sentencing Commission. The House then returned S. 1257 with the same problematic directive to the Sentencing Commission.

I appreciate that my House colleagues and interested stakeholders have worked over the past months to address my concerns over the breadth of the proposed directive to the Sentencing Commission, and to find a better definition of the categories of cases in which it would be appropriate to compute the applicable sentencing guideline based upon the retail value of the infringed upon item. A better solution than the one contained in the No Electronic Theft Act remains elusive, however.

For example, one recent proposal seeks to add to S. 1257 a direction to the Sentencing Commission to enhance the guideline offense level for copyright and trademark infringements based upon the retail price of the legitimate products multiplied by the quantity of the infringing products, except where ''the infringing products are substantially inferior to the infringed upon products and there is substantial price disparity between the legitimate products and the infringing products.'' This proposed direction appears to be under-inclusive since it would not allow a guideline enhancement in cases where fake goods are passed off as the real item to unsuspecting consumers, even though this is clearly a situation in which the Commission may decide to provide an enhancement.

In view of the fact that the full Sentencing Commission has not had an opportunity for the past two years to consider and implement the original direction in the No Electronic Theft Act, passing a new and flawed directive appears to be both unnecessary and unwise. This is particularly the case since the new Commissioners have already indicated a willingness to consider this issue promptly. In response to questions posed at their confirmation hearings, each of the nominated Sentencing Commissioners indicated that they would make this issue a priority. For example, Judge William Sessions of the District of Vermont specifically noted that:

If confirmed, our first task must be to address Congress' longstanding directives, including implementation of the guidelines pursuant to the NET Act. Congress directed the Sentencing Commission to fashion guidelines under the NET Act that are sufficiently severe to deter such criminal activity. I personally favor addressing penalties under this statute expeditiously.

I fully concur in the judgment of Chairman HATCH that the Sentencing Commission directive provision added by the House and to send, again, S. 1257 to the House for action.

This bill represents an improvement in current copyright law, and I hope that it will soon be sent to the President for enactment.

TO AMEND THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT

Ms. COLLINS. Mr. President, I ask unanimous consent the Agriculture Committee be discharged from further consideration of S. 961, and the Senate proceed to its immediate consideration.

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

The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 961) to amend the Consolidated Farm and Rural Development Act to improve shared appreciation arrangements.

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

AMENDMENT NO. 2789

(Purpose: To provide a substitute amendment)

Ms. COLLINS. Mr. President, there is a substitute amendment at the desk submitted by Senator BURNS, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Ms. COLLINS] for Mr. BURNS, proposes an amendment numbered 2789.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHARED APPRECIATION ARRANGEMENTS.

(a) IN GENERAL.—Section 353(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)) is amended by striking paragraph (2) and inserting the following:

''(2) TERMS.—A shared appreciation agreement entered into by a borrower under this subsection shall—

''(A) have a term not to exceed 10 years;

''(B) provide for recapture based on the difference between—

''(i) the appraised value of the real security property at the time of restructuring; and

''(ii) that value at the time of recapture, except that that value shall not include the value of any capital improvements made to the real security property by the borrower after the time of restructuring; and

''(C) allow the borrower to obtain a loan, in addition to any other outstanding loans under this title, to pay any amounts due on a shared appreciation agreement, at a rate of interest that is not greater than the rate of interest on outstanding marketable obligations of the United States of a maturity comparable to that of the loan.''.

(b) APPLICATION.—The amendment made by subsection (a) shall apply to a shared appreciation arrangement entered into under section 353(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)) that matures on or after the date of enactment of this Act.

Ms. COLLINS. Mr. President, I ask unanimous consent the amendment be agreed to, the bill be read the third time and passed as amended, the motion to reconsider be laid upon the table, and that any statements be printed in the RECORD.

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

The amendment (No. 2789) was agreed to.

The bill (S. 961), as amended, was read the third time and passed, as follows:

[The bill was not available for printing. It will appear in a future edition of the RECORD.]

COPYRIGHT DAMAGES IMPROVEMENT ACT OF 1999

Ms. COLLINS. I ask unanimous consent the Chair lay before the Senate a message from the House to accompany S. 1257.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1257) entitled ''An Act to amend statutory damages provisions of title 17, United States Code'', do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Copyright Damages Improvement Act of 1999''.

SEC. 2. STATUTORY DAMAGES ENHANCEMENT.

Section 504(c) of title 17, United States Code, is amended—

(1) in paragraph (1)—

(A) by striking ''$500'' and inserting ''$750''; and

(B) by striking ''$20,000'' and inserting ''$30,000''; and

(2) in paragraph (2), by striking ''$100,000'' and inserting ''$150,000''.

SEC. 3. SENTENCING COMMISSION GUIDELINES.

Section 2(g) of the No Electronic Theft (NET) Act (28 U.S.C. 994 note) is amended by striking paragraph (2) and inserting the following:

''(2) In implementing paragraph (1), the Sentencing Commission shall amend the guideline applicable to criminal infringement of a copyright or trademark to provide an enhancement based upon the retail price of the legitimate items that are infringed upon and the quantity of the infringing items. To the extent the conduct involves a violation of section 2319A of title 18, United States Code, the enhancement shall be based upon the retail price of the infringing items and the quantity of the infringing items.

''(3) Paragraph (1) shall be implemented not later than 3 months after the later of—

''(A) the first day occurring after May 20, 1999; or

''(B) the first day after the date of the enactment of this paragraph,

on which sufficient members of the Sentencing Commission have been confirmed to constitute a quorum.

''(4) The Commission shall promulgate the guidelines or amendments provided for under this section in accordance with the procedures set forth in section 21(a) of the Sentencing Act of 1987, as though the authority under that Act had not expired.''.

SEC. 4. EFFECTIVE DATE.

The amendments made by section 2 shall apply to any action brought on or after the date of the enactment of this Act, regardless of the date on which the alleged activity that is the basis of the action occurred.

AMENDMENT NO. 2790

(Purpose: To provide for the promulgation of emergency guidelines by the United States Sentencing Commission relating to criminal infringement of a copyright or trademark, and for other purposes)

Ms. COLLINS. Mr. President, I ask unanimous consent that the Senate concur in the House amendment with a further amendment which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Ms. COLLINS] for Mr. HATCH, for himself, and Mr. LEAHY, proposes an amendment numbered 2790.

The amendment is as follows:

On page 1, line 2, insert ''Digital Theft Deterrence and'' before ''Copyright''.

On page 2, strike lines 2 through 26 and insert the following:

Within 120 days after the date of the enactment of this Act, or within 120 days after the first date on which there is a sufficient number of voting members of the Sentencing Commission to constitute a quorum, whichever is later, the Commission shall promulgate emergency guideline amendments to implement section 2(g) of the No Electronic Theft (NET) Act (28 U.S.C. 994 note) in accordance with the procedures set forth in section 21(a) of the Sentencing Act of 1987, as though the authority under that Act had not expired.

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

AMENDING THE INSPECTOR GENERAL ACT

Ms. COLLINS. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 408, S. 1707.

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

The legislative clerk read as follows:

A bill (S. 1707) to amend the Inspector General Act of 1978 (5 U.S.C. app,.) to provide that certain designated Federal entities shall be establishments under such Act, and for other purposes.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Governmental Affairs, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. THE TENNESSEE VALLEY AUTHORITY AS AN ESTABLISHMENT UNDER THE INSPECTOR GENERAL ACT OF 1978.

(a) FINDINGS.—Congress finds that—

(1) Inspectors General serve an important function in preventing and eliminating fraud, waste, and abuse in the Federal Government; and

(2) independence is vital for an Inspector General to function effectively.

(b) ESTABLISHMENT OF INSPECTOR GENERAL.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) in section 8G(a)(2) by striking ''the Tennessee Valley Authority,''; and

(2) in section 11—

(A) in paragraph (1) by striking ''or the Commissioner of Social Security, Social Security Administration;'' and inserting ''the Commissioner of Social Security, Social Security Administration; or the Board of Directors of the Tennessee Valley Authority;''; and

(B) in paragraph (2) by striking ''or the Social Security Administration;'' and inserting ''the Social Security Administration, or the Tennessee Valley Authority;''.

(c) EXECUTIVE SCHEDULE POSITION.—Section 5315 of title 5, United States Code, is amended by inserting after the item relating to the Inspector General of the Small Business Administration the following:

''Inspector General, Tennessee Valley Authority.''.

(d) EFFECTIVE DATE AND APPLICATION.—

(1) IN GENERAL.—The amendments made by this section shall take effect 30 days after the date of enactment of this Act.

(2) INSPECTOR GENERAL.—The person serving as Inspector General of the Tennessee Valley Authority on the effective date of this section—

(A) may continue such service until the President makes an appointment under section 3(a) of the Inspector General Act of 1978 (5 U.S.C. App.) consistent with the amendments made by this section; and

(B) shall be subject to section 8G (c) and (d) of the Inspector General Act of 1978 (5 U.S.C. App.) as applicable to the Board of Directors of the Tennessee Valley Authority, unless that person is appointed by the President, by and with the advice and consent of the Senate, to be Inspector General of the Tennessee Valley Authority.

SEC. 2. ESTABLISHMENT OF INSPECTORS GENERAL CRIMINAL INVESTIGATOR ACADEMY AND INSPECTORS GENERAL FORENSIC LABORATORY.

(a) INSPECTORS GENERAL CRIMINAL INVESTIGATOR ACADEMY.—

(1) ESTABLISHMENT.—There is established the Criminal Investigator Academy within the Department of the Treasury. The Criminal Investigator Academy is established for the purpose of performing investigator training services for offices of inspectors general created under the Inspector General Act of 1978 (5 U.S.C. App.).

(2) EXECUTIVE DIRECTOR.—The Criminal Investigator Academy shall be administered by an Executive Director who shall report to an inspector general for an establishment as defined in section 11 of the Inspector General Act of 1978 (5 U.S.C. App.)—

(A) designated by the President's Council on Integrity and Efficiency; or

(B) if that council is eliminated, by a majority vote of the inspector generals created under the Inspector General Act of 1978 (5 U.S.C. App.).

(b) INSPECTORS GENERAL FORENSIC LABORATORY.—

(1) ESTABLISHMENT.—There is established the Inspectors General Forensic Laboratory within the Department of the Treasury. The Inspector General Forensic Laboratory is established for the purpose of performing forensic services for offices of inspectors general created under the Inspector General Act of 1978 (5 U.S.C. App.).

(2) EXECUTIVE DIRECTOR.—The Inspectors General Forensic Laboratory shall be administered by an Executive Director who shall report to an inspector general for an establishment as defined in section 11 of the Inspector General Act of 1978 (5 U.S.C. App.)—

(A) designated by the President's Council on Integrity and Efficiency; or

(B) if that council is eliminated, by a majority vote of the inspector generals created under the Inspector General Act of 1978 (5 U.S.C. App.).

(c) SEPARATE APPROPRIATIONS ACCOUNT.—Section 1105(a) of title 31, United States Code, is amended by adding at the end the following:

''(33) a separate appropriation account for appropriations for the Inspectors General Criminal Investigator Academy and the Inspectors General Forensic Laboratory of the Department of the Treasury.''.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to carry out this section such sums as may be necessary for fiscal year 2001 and each fiscal year thereafter.

Ms. COLLINS. Mr. President, I ask unanimous consent that the committee substitute be agreed to, the bill be read the third time and passed, the motion to reconsider be laid upon the table, and any statements related to the bill be printed in the RECORD.

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

The committee amendment in the nature of a substitute was agreed to.

The bill (S. 1707), as amended, was read the third time and passed, as follows:

S. 1707

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

SECTION 1. THE TENNESSEE VALLEY AUTHORITY AS AN ESTABLISHMENT UNDER THE INSPECTOR GENERAL ACT OF 1978.

(a) FINDINGS.—Congress finds that—

(1) Inspectors General serve an important function in preventing and eliminating fraud, waste, and abuse in the Federal Government; and

(2) independence is vital for an Inspector General to function effectively.

(b) ESTABLISHMENT OF INSPECTOR GENERAL.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) in section 8G(a)(2) by striking ''the Tennessee Valley Authority,''; and

(2) in section 11—

(A) in paragraph (1) by striking ''or the Commissioner of Social Security, Social Security Administration;'' and inserting ''the Commissioner of Social Security, Social Security Administration; or the Board of Directors of the Tennessee Valley Authority;''; and

(B) in paragraph (2) by striking ''or the Social Security Administration;'' and inserting ''the Social Security Administration, or the Tennessee Valley Authority;''.

(c) EXECUTIVE SCHEDULE POSITION.—Section 5315 of title 5, United States Code, is amended by inserting after the item relating to the Inspector General of the Small Business Administration the following:

''Inspector General, Tennessee Valley Authority.''.

(d) EFFECTIVE DATE AND APPLICATION.—

(1) IN GENERAL.—The amendments made by this section shall take effect 30 days after the date of enactment of this Act.

(2) INSPECTOR GENERAL.—The person serving as Inspector General of the Tennessee Valley Authority on the effective date of this section—

(A) may continue such service until the President makes an appointment under section 3(a) of the Inspector General Act of 1978 (5 U.S.C. App.) consistent with the amendments made by this section; and

(B) shall be subject to section 8G (c) and (d) of the Inspector General Act of 1978 (5 U.S.C. App.) as applicable to the Board of Directors of the Tennessee Valley Authority, unless that person is appointed by the President, by

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(B) if that council is eliminated, by a majority vote of the inspector generals created under the Inspector General Act of 1978 (5 U.S.C. App.).

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(A) designated by the President's Council on Integrity and Efficiency; or

(B) if that council is eliminated, by a majority vote of the inspector generals created under the Inspector General Act of 1978 (5 U.S.C. App.).

(c) SEPARATE APPROPRIATIONS ACCOUNT.—Section 1105(a) of title 31, United States Code, is amended by adding at the end the following:

''(33) a separate appropriation account for appropriations for the Inspectors General Criminal Investigator Academy and the Inspectors General Forensic Laboratory of the Department of the Treasury.''.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to carry out this section such sums as may be necessary for fiscal year 2001 and each fiscal year thereafter.

N O T I C E

Senate proceedings for today are incomplete.

Today's Senate proceedings will be continued in the next issue of the Record.

EXTENSIONS OF REMARKS

REFORM OF THE COMMUNICATIONS SATELLITE COMPETITION AND PRIVATIZATION ACT

HON. W.J. (BILLY) TAUZIN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. TAUZIN. Mr. Speaker, when I last addressed the House concerning H.R. 3261, at Chairman BLILEY's request, I read his statement into the CONGRESSIONAL RECORD. Due to my long legislative history in issues relating to the satellite industry, I believe it is necessary for me to provide some additional views as the House and Senate prepare to begin a conference aimed at reconciling differences between their respective bills.

The Communications Satellite Competition and Privatization Act of 1999 is an important step forward in Congress' efforts to update the Communications Satellite Act of 1962 (1962 Act). I wish to acknowledge the efforts of Chairman BLILEY in reaching out to members of the Telecommunications Subcommittee to address important issues and advance the legislative process.

Mr. Speaker, reform of the 1962 Act is vitally necessary, as technological innovation and marketplace competition has dramatically changed the satellite industry over the past 30 years. Indeed, the arrival and rapid advance of undersea and underground fiber-optic cable systems has forced the industry to move beyond what many policymakers have thought to be its only role: universally providing telecommunications services to broad audiences. While the industry will certainly continue to lead efforts to develop new markets, satellites are now highly sought after to provide the capacity and redundancy necessary to continue the explosion in telecommunications usage, data transmission, and e-commerce. In other words, we have now learned that not only are cable systems unable and, in some cases, unwilling to reach everyone, they may not be able to service everyone.

As the landscape of the marketplace continues to change more cable and satellite systems find themselves in direct competition for customers, and we have been forced to reconsider our assumptions regarding the average satellite services user. No longer are these users simply interested in access to services; satellite customers want exactly what other telecommunications customers want. They want choice in the marketplace. They want the option of different transmission systems. They want broadband services over the Internet. They want high quality and highly dependable services. And they want it now.

This change in consumer demand, coupled with the exponential increase in Internet usage, interactive data and direct-to-home satellite services fuels much of the growth in the satellite services industry today. The result is a dynamic and highly competitive marketplace. How competitive? One need look no further than the chapter 11 filings of Iridium and ICO to understand that you won't be around long in this business if you're only resting on your laurels.

Mr. Speaker, I believe we can make this market even better for consumers. As the conference committee moves forward, we need to ensure that legislation intending to direct the future of the satellite industry is consistent with current economics, and that it recognizes the enormous strides toward full, free and private competition that are already underway. We need to ensure that a wide range of issues are addressed in a manner that fosters even more competition, and that Congress enacts balanced legislation which offers all companies in the satellite services industry a level playing field.

I want to specifically commend Chairman BLILEY for working to improve upon H.R. 1872 in several important areas. I am particularly gratified that the House legislation has effectively ensured that private contracts negotiated between entities are safeguarded and not subject to manipulation as a result of new legislation.

We also need to be sensitive to the fact that this bill is necessary to accommodate a commercial transaction between two companies that have already received regulatory approval for their merger. In this regard we should work to ensure that any action of the Congress should not diminish the value of current investments or ongoing business activities.

We should also ensure that no single competitor in the satellite services industry is advantaged or disadvantaged by our actions. In our effort to create a more dynamic marketplace, we should endeavor ourselves to provide even more consumer choice. Any limitation on services that any one company would offer should be seen as an outcome that reduces consumer choice. As I said previously, at a time when demand for Internet and other broadband services are driving growth across the telecommunications industry, it would be terribly ironic if an action of the Congress actually limited choice in the satellite market.

I am optimistic that we will produce legislation in the conference committee that is genuinely pro-competitive and offers customers around the world more choices. I look forward to working with Chairman BLILEY and Senator BURNS to produce legislation that meets these objectives.

TRIBUTE TO MANUEL MONTOYA

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. UDALL of New Mexico. Mr. Speaker, it makes me very proud to rise before the House of Representatives to recognize Manuel Montoya from Mora, NM. Just a few weeks ago Manuel began his studies at Oxford, England as a Rhodes Scholar. Manuel is a graduate of the University of New Mexico and is one of only 32 students nationwide to earn the much coveted scholarship named in honor of philanthropist Cecil Rhodes. And just last year Manuel also earned the distinguished Truman Scholarship. I want to recognize Manuel for bringing honor to his family, his community and to New Mexico.

Manuel was born and raised in Rainsville, in the County of Mora. He lost his father at an early age. Through his faith and his gifts, he has turned tragedy into inspiration and misfortune into strength, both for himself and for those around him. The County of Mora is one of the most economically disadvantaged counties in our country. The county confronts all of the challenges that affect rural America today. Although stricken by poverty, Mora is one of the wealthiest counties in spirit in our country, rich in culture and history with its Hispanic Heritage, rich in beauty with its mountains, valleys and rivers, rich in people that place the highest value on family, honor and respect. And Mora is rich in faith and rich in hope. The best of Mora is personified in Manuel Montoya and he has made our State and his community very proud.

On behalf of all New Mexicans I want him to know that he is in our thoughts and we look forward to his many successes. Manuel, La Gente de Mora y de Nuevo Mexico estan Contigo.

Thank you Mr. Speaker, I ask that a copy of the newspaper article recognizing Manuel's accomplishments also be placed in the RECORD.

[From the Santa Fe New Mexican, Dec. 8, 1999]

MORA NATIVE WINS RHODES SCHOLARSHIP

(By Kim Baca)

As a boy, Manuel-Julian Rudolfo Montoya of Mora wrote stories about his father—his favorite hero next to Batman.

In his stories, his father helped him and the family. Montoya was 7 when his father died, but the child never forgot the things his father taught him—especially things about trust, honor and leadership.

It may be those things that helped the 21-year-old University of New Mexico senior become one of 32 American students named a Rhodes scholar Saturday.

''I am not proud of the accomplishment, but what it means to all those people that helped me get there,'' Montoya said. ''This is by no means my scholarship; it belongs to a lot of people—to my family, to my friends, my community. It belongs to UNM and everybody has the right to celebrate that.''

The prestigious scholarship program was created in 1902 by British philanthropist and colonial pioneer Cecil J. Rhodes to help students from English colonies and the United States attend Oxford University in England for two or three years.

The scholarship, which pays all college and university fees, is one of the oldest international study awards available to students.

Montoya, a 1995 Mora High School graduate, has a long list of achievements. After graduating as valedictorian, he was awarded the Regents Scholarship, a four-year grant given to New Mexico's highest achievers. While in college, the English and economics double major helped establish a rural honors

program for high school students in honor of his father.

Earlier this year, he was named a Truman Scholar—a national scholarship project named after President Harry S. Truman and given to college juniors who have extensive records of public service and outstanding leadership potential.

After he was awarded the Truman scholarship, his advisers in the honors program at UNM encouraged him to apply for the Rhodes program.

Rebecca Vigil, Montoya's English teacher at Mora High School, said news of the scholarship comes as no surprise to her.

''He has always been dedicated and committed. I always thought he would succeed.'' she said. ''It's great that he has received this honor, not just for him but the entire community.''

Mary Lou Sanchez, a guidance counselor for Mora schools, also remembers Montoya as an exceptional student.

''His written and verbal communication was always outstanding,'' she said. ''He has always been a leader.''

In addition to playing pool, guitar and writing poetry, Montoya is also helping build a museum in Mora. The museum will contain the history and genealogy of Mora residents.

Montoya's mother Mary Louise Montoya, said her son has always been a quick learner. His first language was Spanish, but he learned English immediately.

''He was a lector at our church at the age of 7,'' she said. ''He taught a confirmation class when he was still in high school.''

Montoya is one of a dozen Rhodes scholars residing in New Mexico. The last person to receive a Rhodes scholarship at UNM was in the 1970s.

In September, Montoya will leave for England and study law. After his term at Oxford, Montoya plans to go to Stanford University law school.

''It's my dream to become a litigator and provide legal services for the underprivileged,'' he said. Montoya would also like to create a think tank to study public policy.

[From the Santa Fe New Mexican]

THE BEST AND THE BRIGHTEST

(By Monica Soto)

MORA—The Mora River rises in the Rincon Range, east of the Sangre de Cristo Mountains, and flows to the west and to the south until it fuses with the Canadian River north of Sabinoso.

Generations of families have lived and died near the river. This is where Manuel-Julian Rudolpho Montoya, the Rhodes Scholar, was born.

His story, his journey, is simple really. It begins and it ends in Mora, a place too beautiful for words, where the most brilliant flowers bloom in the muddiest of waters.

Montoya, 22, stands in a field and stares at his birth home. The gray A-frame house is empty; it has been for a long time.

The wind rushes past him, and he sees images of his father, Rudy William Montoya, washing the family's 1972 Plymouth Duster and of his mother, Mary Louise, cooking dinner. He sees the forbidden cookie jar atop the highest kitchen shelf. He closes his eyes and smiles.

''I've come realize this as the turning point in my life because it meant a harder life for me,'' he says, then pauses. ''Why live life if it's not hard? I seek the virtues.''

Montoya, who graduated last month from The University of New Mexico with degrees in English and economics, leaves Sept. 25 for Oxford University, the first UNM student to be named a Rhodes Scholar since 1978. Montoya last year was named a Truman Scholar, a distinction bestowed upon college juniors who have extensive records of public service and outstanding leadership potential.

If Montoya represents the future of New Mexico, then he wants his home-town of Mora to be celebrated for this gift. It is the place where he experienced unconditional love, punctuated by deep pain, where he gained the wisdom to know that his experiences, both good and bad, have shaped him into a worthy man.

Montoya was born Dec. 9, 1976, but his story begins a generation before that.

Mary Louise Martinez was born Feb. 12, 1953, to Francisco and Dolores Martinez in Mora. Rudy William Montoya was born Oct. 2, 1953, to Ambrosio and Celena Montoya in Rainsville, 10 minutes away.

For the first 15 years of their lives, the two never crossed paths. Then on a spring day, halfway through adolescence, Rudy William Montoya and Mary Louise Martinez attended the same eighth-grade picnic in the Tres Ritos area, near the river.

Mary Louise didn't know how to swim. And she knew what happened at these types of functions. Someone always got flung in the river. This time it was her.

Her classmates must have thought she was joking when she started to scream for help. She panicked and went under water. Rudy William jumped in the river. He saved her life.

Both were freezing when they emerged from the frigid waters. Mary Louise had brought a beach towel to the picnic. They wrapped themselves in it and sat on a log, beneath a tree.

''Really shyly, he got my hand and he held it,'' she remembers. ''That was the start.''

Mary Louise and Rudy William went to every basketball game, every dance together from their freshman through senior years. They graduated from Mora High School in 1972. They were married the following August.

Manuel was the first born. Francisco followed four years later on April 12, 1981. Rudy William Louis, the baby, was born Dec. 22, 1984.

The elder Rudy William was a hard-working man with a gentle soul, a man who had grand dreams for his family. The heavy-equipment operator planned to build a split-level house in Rainsville on property he and Mary Louise inherited from the Montoya family.

Rudy William already had begun digging the trenches to lay the foundation of the house when on April 17, 1984, he responded to a call for help and was shot. He died a day later.

Mary Louise says the events surrounding her husband's death are things that are still too painful to discuss, only to say that he was ''an innocent victim to a violent crime. He had no idea what he was walking into.''

She can still remember how Montoya, just this little boy, walked around the house and prayed fervently in every room the day his father died. And the moment at which Montoya became a man.

The family held the funeral in Rainsville. When the casket opened, when Montoya first laid eyes upon his father, he didn't cry. Rather he clasped his hands together and incanted The Lord's Prayer, very clearly, very loudly.

After her husband's death, Mary Louise says she did everything she could so Montoya didn't have to feel like he was the man of the house, but that ''he took on a lot of responsibility within himself.''

Montoya's patriarchal role was, in ways, inevitable. Montoya's younger brothers went to him for guidance and advice. He fixed their problems the way he imagined his father would.

Montoya had numerous uncles to draw guidance from. He was nevertheless painfully aware that his own father was, in his words, ''a guardian angel now.''

He spoke of his struggles once to a group of peers at a student government conference. He modeled his speech after the words of Martin Luther King Jr. ''I speak of the trials in my life not to gain your sympathy, but to gain your understanding.''

Montoya says his father's death and the struggles he went through as a result pushed him to excel in ways that he felt would honor his father's memory.

''I love his memory more than anything in this world,'' he says. ''It compels me every day.''

As a single parent, Mary Louise doesn't describe her life with her three sons as one in which she played dual roles as mother and father. They leaned a lot on both the Martinez and Montoya families—people whom she refers to as ''very special.''

The dynamics of her own family was such that every son—Montoya, Francisco, and Rudy William—played an integral role in keeping the family together.

Mary Louise says all four of them made decisions on the finances and even discussed emotional issues. When she decided to return to school to receive an associate's degree, all four of the family members studied together.

''It took the four of us to do what we've done,'' she says. ''It took the four of us to pull together.''

It's been 15 years now. Sometimes it seems like yesterday.

''I remember somebody asked me one time how I felt,'' she says. ''I always wondered, how are you supposed to answer that? But I did real truthfully saying, 'I feel like I'm cut in half. I'm missing half of me. And it's not crosswise, it's lengthwise.'

''We truly were one, and that's how it's always going to be.''

A PROMISING YOUTH

Montoya always had shown promise. He learned both English and Spanish at an early age but preferred to speak Spanish before he began school. Neighbors would traipse into his grandmother's house to watch him stand on the coffee table, with his little guitar, and sing Spanish church hymns.

''I can remember he was a voracious reader,'' says Quirinita Martinez, his third-grade teacher. ''He could read and read and read.''

By the time Montoya was in high school, he understood clearly the educational opportunities he missed growing up in a rural community. His high school did not offer calculus or an honors English program because of the lack of demand. His school library did not carry Machiavelli's The Prince or Aristotle's Ethicos as standard texts.

The more people held Montoya up as an anomaly, the more he believed that he was no different than his peers.

''I saw them struggling through a system where they said, 'If you don't do this or that, you're a loser,'" he says. ''That's unacceptable to me.''

In college, Montoya spent a summer writing a proposal to the Mora School Board that would implement a general honors program at the high school. The program would set up independent studies for students who had exhausted the school district's traditional options.

Montoya wrote in his proposal that an instructor would craft semester-long lesson plans for each student. A student who enrolled in a class on contemporary, moral and ethical issues, for instance, would read books such as Mary Shelley's Frankenstein to gain insight into such issues as ''euthanasia, genetic cloning, chemical testing on animals and humans, freedom-of-speech issues and

hate crime.'' He included a 40-page economic analysis.

The school board signed the proposal in August 1997. The board later rescinded the program because it could not fund an instructor to oversee it, Montoya says.

Montoya says he was disappointed by the outcome, but that he has not given up on his project.

''Next time I'm going to have everything ready to go,'' he says. ''No questions, no doubts.''

Montoya also has worked diligently on another long-term project—to build an archive and museum that would house the town's family and cultural histories. He envisions a Plaza where the community could gather; Mora no longer has one.

Montoya, who has been accepted to Stanford Law School, says he also dreams of the day when each person is appreciated for his or her potential, when his brothers are held up for their talents, just as he has been celebrated for his.

''One time, my grandfather made a china cabinet with no nails, structurally sound,'' he says. ''My brother (Francisco) can do that. It's something that I envy in him. The time hasn't come where they say that this is just as beautiful as being a Rhodes Scholar, and that bothers me.''

Toby Duran, director for the Center for Regional Studies and the Center for Southwest Research at UNM, worked with Montoya on the museum proposal. Duran says that one of the first things they discussed was Montoya's dream of becoming a United States Supreme Court Justice.

''I was impressed by his boldness,'' says Duran, who gave Montoya a fellowship that enabled him to spend time preparing his Rhodes Scholar application. ''He has a way of feeling for things and for people, but in addition to that, he uses reason. He's able to balance that very well.''

Friends and family, those who have influenced Montoya, say that despite his rigorous intellect, he is stripped of pretension. Montoya's dream is to return to Mora and practice law with his closest confidant, Cyrus Martinez, also a Mora High School graduate.

The Rev. Tim Martinez, who was once a pastor in Mora, explains it this way:

''For a lot of people that grow up in rural communities, they have to leave before they realize the value of their upbringing,'' he says. ''He realized the value long before he left his community. He carries that with him, always.''

A DATE AT THE WHITE HOUSE

Montoya will participate in a White House ceremony before he leaves to study jurisprudence philosophy in England. He will meet President Clinton and members of the U.S. Supreme Court.

Even then, Montoya says he will be ''the farm boy from Mora making messes in my mother's kitchen.'' And for that, he is immensely proud.

'I don't learn things without them being fixed in human experience,'' he says. ''The facts can exist without human experience, but the truth cannot.''

The truth, Montoya says, is that he is a culmination of many lives and many lessons, the embodiment of a town. He is his uncle, the Vietnam veteran and his Godmother, a shy and humble woman; he is his father, hardworking and unapologetic, and the viejo who plants a tree at the chapel each year.

He is also a man, now—one who has made it his life's mission not to allow his people to lose hope.

''If you don't surrender to your community, you will never unify what you have inside of you,'' he says. ''It's indescribable. It's a healing that I have yet to comprehend.''

ADDRESSING A GENERATION

Manuel-Julian Rudolpho Montoya's speech for The University of New Mexico's general commencement ceremony in May:

What then, I ask myself, shall we do this fine morning? How will we give praise to our education and our light?

I say we shout.

Shout in honor of the gathering. Give praise to your talents and those who lay hands on that talent. Form a song, without words and without beat save the rhythm of the many standing alongside you. Hear the rhyme of one language in unison as we shout in shades of Black, Yellow, Brown, White and Red. Shout in colors, shout in creeds. Shout in praise of the legacies that brought you here. Shout difference! Shout unity! And remember that they do not betray each other, they simply approach your soul from one end to the other.

Dance.

Dance in honor of your celebration. Give substances to the presence of our smiles and our laughter. In our dancing, let us love the greatness of this day, for it is a day that we recognize the trials of wisdom and knowledge brought to bear upon our very souls.

Cry.

Cry in honor of your suffering. Give it a voice so that it may surrender to the echoes of healing among our communities. Give it to the ignorant, so they may have heard that pain of their brothers and sisters.

Fight.

Fight with your minds. Gather your faculties in honor of the shouting, the dancing and the crying. Give them reason for existing. Validate them. Look to your minds and recognize the great unifier within you. Reconcile your pain with the promise of a better day because you fought with your mind. Know that you have learned all you can so that one day learning can take its place in the symphony of change.

Fight with your heart. Fight with kindness and do not relent when the wits of the many sway against the singular revolt of your heart. Cherish your passion and let it bleed for your neighbor. In this lies the hand that picks up our enemies and cares for them.

Let us now be called forth and have our names announced to the community. Call my name, for in it you evoke the legacy of my grandmothers and grandfathers. My beloved father and mother. My brothers. My friends. My family. My happiness and strength. Let it be called because our name shall ring the truth of my veneration for my community. Mora, New Mexico. Mi tierra y my vida.

Let us call the names of our graduates. Let their names ring forever in the past. So today, as we call names and hand diplomas, let us celebrate the world that lives alive and well within us.

Bless you all.

CREDIT CARD CONSUMER PROTECTION ACT

HON. DARLENE HOOLEY

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Ms. HOOLEY of Oregon. Mr. Speaker, credit card late fees are becoming an increasing burden on consumers. More and more of my constitutents are telling me that credit card companies are charging them $30 late fees when they shouldn't be. I believe some companies are abusing their ability to charge late fees. In fact, just recently, First USA, a company that has millions of customers, was caught charging its customers late fees regardless of when they sent their payment in.

(ABC News, Nightline: ''Let the Borrower Beware.'' August 31st, 1999).

In addition, many companies are shortening grace periods and imposing early morning deadlines for when a payment is due. One of the worst things they are doing is sending bills out just a few days before they're due, which makes it very difficult to get the payment in on time.

Obviously, these practices do not help credit card customers maintain good credit ratings. Additionally, these practices can cost customers hundreds of dollars in charges each year. In order to address some of the problems that people are encountering with late fees, today I am introducing the ''Credit Card Customers Proteciton Act of 1999.'' This legislation would require credit card companies charging late fees to clearly disclose a date by which if your payment is postmarked, it cannot be considered late. Right now, most companies charge you based on when your payment arrives. But with passage of this legislation, if you mail your credit card payment in before the postmark date, you'll be okay.

This is similar to what the IRS does with your tax return. Regardless of when your return arrives at the IRS, if it is postmarked by April 15, it is not late. To me, this makes perfect sense, since we do not control the internal bill collecting processes of the credit card companies, nor do we want to. And we do not control the time it takes for a letter to be delivered.

This bill will put the balance of power back into the hands of credit card customers. I ask my colleagues for their support for this important legislation.

JOHN G. SHEDD AQUARIUM CELEBRATES THE BIRTH OF A BELUGA WHALE

HON. DANNY K. DAVIS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. DAVIS of Illinois. Mr. Speaker, I am pleased to recognize the John G. Shedd Aquarium in Chicago as they celebrate the birth of a beluga whale. On August 3rd, a 4-foot-6-inch female calf was born weighing approximately 115 pounds. This is the first calf for Immiayuk, a 13-year-old beluga whale who has been in Shedd Aquarium's care since 1989.

Immiayuk is a first-time mother, and less than half of the calves born to those mothers, either in captivity or in the wild, are able to survive their first year. The new beluga has cleared many of the first hurdles, by swimming, diving and nursing with her mother. Shedd visitors will be able to see the calf in an underwater viewing area in late September. A contest to name the calf will be held for children ages 8 to 13.

The belugas reside in the Shedd's Oceanarium, a re-creation of the Pacific Northwest. Throughout the Oceanarium, large underwater viewing windows give Shedd visitors the opportunity to see the animals from the vantage point of their environment. Whales, dolphins, sea otters, harbor seals and penguins are some of the marine life on display.

The birth of the beluga is a milestone for the Shedd because the Oceanarium was built for the purpose of breeding marine mammals. The knowledge gained from the birth will provide Shedd staff with a better understanding of belugas and in turn that information will be used to help educate the public and contribute to the conservation of wild populations.

The birth of the beluga also is significant to the general beluga population as the National Marine Fisheries Service plans to list the beluga whales in Alaska's Cook Inlet as a depleted population. The 1998 Cook Inlet beluga census, counted 347. In 1994, about 675 belugas were counted; it is believed that 1,000 whales were in the inlet in 1980.

Mr. Speaker, please join me in congratulating the John G. Shedd Aquarium on the successful birth and continued health of Immiayuk's beluga calf.

INTRODUCTION OF THE SMALL BUSINESS TELECOMMUTING ACT

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. UDALL of Colorado. Mr. Speaker, today, I am introducing the Small Business Telecommuting Act, a bill designed to raise awareness about telecommuting among small business employers and to encourage employers to offer telecommuting options to their employees.

In many areas of this country urban sprawl and traffic congestion are growing at alarming rates. Telecommuting surely is part of the answer to reducing traffic congestion and air pollution.

Mr. Speaker, telecommuting has many positive bi-products to which I would like to draw my colleagues' attention.

Traffic congestion: telecommuting could reduce peak commuter traffic, thereby reducing traffic congestion and air pollution.

Family wellness: telecommuting benefits the health of our communities by giving workers more time to spend with their families.

Employee productivity: studies have shown that telecommuting increases both employee productivity and morale, which in turn helps the business bottom line.

This legislation will direct the Administrator of the Small Business Administration to conduct a pilot program to raise awareness about telecommuting among small business employers. Telecommuting is quickly becoming a standard business practice. High-tech industries have employed telecommuting with great success for many years. In addition, the Federal Government has embraced telecommuting as well. This legislation will encourage and aid our nation's small business owners to embrace telecommuting.

Telecommuting in the small business community is a critically important tool, because it would allow small employers to retain valued employees with irreplaceable skills and institutional memory when their lives no longer allow them to be in the office daily.

Mr. Speaker, all around us we see remarkable strides being made in the use of technology to improve our quality of life and allow us to work more efficiently. I believe the Small Business Telecommuting Act will allow our nation's small business owners to also reap the benefits of these technological strides.

H.R. 2, THE STUDENTS RESULTS ACT

HON. CHARLES A. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. GONZALEZ. Mr. Speaker, on October 21, 1999, the U.S. House of Representatives overwhelmingly passed H.R. 2, the Students Results Act, which reauthorized funding for Title I of the Elementary and Secondary Education Act. Title I provides funding to local education agencies to help educationally disadvantaged children learn the core subjects, like math and reading, and authorizes other programs to assist low-achieving students. Last revised by the Improving America's Schools Act of 1994, Title I is the largest federal elementary and secondary education grant program.

In general terms, H.R. 2 was a good bill. It provided a billion dollar increase in Title I funding, focused on holding Title I students to the same high academic standards as all students, targeted funds to the poorest communities, and it improved accountability measures. In addition H.R. 2 addressed the quality of instruction in Title I classrooms by requiring certification for all teachers and strengthening professional development opportunities.

Unfortunately, H.R. 2 also included the ''Parental Notification and Consent for English Language Learners'' provision. In my opinion, the ''Parental Notification and Consent'' language in H.R. 2 was unfair at best and discriminatory at worst. The provision would at minimum have an unjust and disproportionate impact on limited English proficient (LEP) students, of which over 70% are Hispanic.

Schools provide LEP children the necessary language support services to ensure high academic standards in addition to developing their ability to speak, read and write English. However, the proposed ''Parental Notification and Consent'' requirements would unjustly prohibit schools from providing services until parents provide consent or until the school meets the mandatory requirement to build a written record of attempting to obtain parental consent.

While I do not presume to know why each of those who voted against H.R. 2 did so, I believe that in the case of the Democrats, that decision was based, at least in part, on concerns regarding the ''Parental Notification and Consent'' provision. It was apparent to me, and likely to others, that this provision potentially violates Title VI of the Civil Rights Act of 1964, which guarantees access to equal educational opportunities for LEP students.

As a parent, I must stress that I fully support and encourage enhanced parental involvement in schools and increased parental participation in their children's education. Nevertheless, I am convinced that this legislation, in its ill-advised attempt to include parental consent as part of Title I, will instead result in discriminatory practices and in limited resources being focused on bureaucratic requirements rather than on educational programs.

I did not easily arrive at my decision to oppose H.R. 2 and to make a statement regarding its potentially discriminatory effect on a limited group of students. In the end though, I could not vote to validate legislation that would result in isolating LEP students for different treatment than is applied to any other group of students, while denying access for millions to important Title I educational services.

HONORING MEGAN CHARLOP

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. ENGEL. Mr. Speaker, today I rise to honor Megan Charlop, who has been chosen as a Robert Wood Johnson Community Health Leader for 1999. Each year, the Community Health Leadership Program honors ten individuals who overcome tremendous odds to expand access to health care and social services to underserved populations in their communities. This year, the program has selected Ms. Charlop for her work as the Director of the Montefiore Medical Center Lead Poisoning Prevention Project in the Bronx.

While working as a housing organizer in the 1970's Megan unwittingly exposed herself and her fetus to lead dust and became poisoned. In the early 1980's, she organized a building in deteriorating condition where the children had become lead poisoned. As a result of these experiences Megan founded the Lead Poisoning Prevention Project in 1983.

As Director of the Project, Megan has diligently advocated for resources to create the Lead Safe House, which provides transitional housing for lead poisoned children and their families while their homes are undergoing abatement. Megan also co-founded the New York City Coalition to End Childhood Lead Poisoning, bringing together environmentalists, labor groups, social service and health providers, and parents to tackle the issues related to lead poisoning prevention. Her work with lead poisoning prevention in New York City has become a model for the nation.

And her work does not stop there. Recently, Megan has launched community health initiatives for other environmentally triggered diseases such as asthma and mercury using the model she developed for lead prevention.

Mr. Speaker, I am thrilled to recognize Megan Charlop as a 1999 Community Health Leader and I commend her for tremendous efforts to improve the health of her community and for her true leadership in the fight against lead poisoning.

TRIBUTE TO CHRIS WEAVER

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. MCINNIS. Mr. Speaker, it is with profound sadness that I now rise to pay tribute to the life of a friend and great civic leader, Chris Weaver. Sadly, the world lost Chris earlier this month when he died of an apparent heart attack. While mourning the passing of this great American, I would like to take this opportunity to honor the esteemed life of this great American.

A dyed-in-the-wool Republican his whole life, Chris left an indelible mark on the Pueblo community as a city councilman. As an at-large council member, Weaver was widely acclaimed for his leadership and vision on a wide range of issues, including HARP, the Pueblo Convention Center, and increased benefits for retired firemen. In his time on the council, Chris served with great distinction leaving a lasting legacy that will long benefit Pueblo.

At age 6, Chris moved to Pueblo with his parents, the late Dr. John Weaver and his wife Frances, from Concordia, Kansas. Following his graduation from Centennial High School in 1966, Chris studied briefly at the Colorado School of Mines and later transferred to the University of Southern Colorado where he graduated in 1982.

A certified public accountant, Chris was an active member in the Kiwanis Club, the Private Industry Council, and the National Association of Accountants.

I am hopeful that Chris' family—including his wife Mary, his children Andrew, Donald, and Jennifer, his mother Frances, and his siblings Ross, Matthew and Allison Swift—will all find solace in the remarkable life that he led. Indeed, like myself and the many others that counted him a friend, Chris' family should find peace in the knowledge each is a better person for having known him.

THE EMERGENCY FOOD ASSISTANCE ENHANCEMENT ACT OF 1999

HON. BOB GOODLATTE

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. GOODLATLE. Mr. Speaker, I rise today to introduce the Emergency Food Assistance Enhancement Act of 1999. My bill increases TEFAP commodity purchases from $100 million to $125 million in an attempt to help food banks meet the needs of their communities.

It is unfortunate, Mr. Speaker, that there is a need for food banks. Even though our farmers and ranchers are the most productive and efficient in the world, the need for food banks continues. Food banks often meet the needs of their communities by managing donations from the Government and the private sector. Most Government donations are the product of the Emergency Food Assistance Program. It is a unique program that has the ability to provide nutritious domestic agriculture products to needy Americans while at the same time providing support to the agriculture community. In the welfare reform bill. Congress made TEFAP commodity purchases mandatory because of the integral role this program has in the provisions of food assistance to needy families.

This program is a quick fix, something to get families through tough times. It gives them the support they need, but it doesn't ensnare them into a cycle of dependency for which other Federal assistance programs are infamous. TEFAP purchases also provide much needed support to the agriculture community. While other food assistance programs are much larger, TEFAP has a more direct impact for agriculture producers, while at the same time providing food for those in need.

The Balanced Budget Act of 1997 included hundreds of millions of dollars for Employment and Training Program aimed at those able bodied adults without dependents (ABAWD) whose eligility for the Food Stamp Program was restricted by a work requirement in the Welfare Reform Act of 1996. The money is dedicated to training programs that keep any ABAWD on the food stamp rolls if they participate. Several hearings and reports have said that the money is going unspent because very few are taking advantage of the programs. At the same time, food banks are reporting an increase in demand from the same demographic group.

Why not put the money where the need is? Annually the Secretary reviews the States employment and training programs and allocates the money he considers appropriate and equitable. If a State doesn't use the money allocated to them, the Secretary can reallocate the money to another State. My bill does nothing to change or restrict that authority. My bill simply allows the Secretary of Agriculture to spend up to $25 million of unobligated employment and training money on TEFAP commodity purchases.

Mr. Speaker, I am hopeful that the Emergency Food Assistance Enhancement Act will enjoy resounding and rapid support from the full House of Representatives. It is important that we increase commodity purchases for this important program.

TRIBUTE TO MS. JILL COCHRAN

HON. JACK QUINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. QUINN. Mr. Speaker, I want to join Chairman STUMP and Ranking Member EVANS in acknowledging and saying thank you to Ms. Jill Cochran, long-time Democratic staff director for the Subcommittee on Benefits, who will retire next month following 25 years of dedicated service to the Committee on Veterans' Affairs.

Jill's contributions to the enactment of legislation such as the Montgomery GI bill, on which she worked with our distinguished former chairman for 7 years, vocational rehabilitation, veterans employment and training, homeless veterans, and transition assistance issues—just to name a few—I believe, are unsurpassed.

Jill personifies unselfish public service in her commitment to America's sons and Daughters who have served our Nation. We'll miss her compassion, her great spirit of cooperation, her expertise, and most of all—her exceptional leadership.

Jill, our kindest wishes and godspeed.

IN HONOR OF JOHN A. KAY

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. UDALL of New Mexico. Mr. Speaker, today I rise to honor the life and memory of a great American, Mr. John Kay. John was a constituent of mine from Rio Rancho, NM, who passed away in October. He was a personal friend and a strong advocate for veterans, John had a very distinguished career, having retired from both the U.S. Army and the Central Intelligence Agency. He loved our country and was very proud to have dedicated his life to serving it.

During his military service, John served with distinction in WWII and in the Korean conflict. In recalling his own military career, he was very proud of his service during WWII where he served with the infamous 9th Reconnaissance troop of the 9th Infantry Division. A unit that fought courageously in virtually every major campaign of the European theater.

What made John so special was his open hearted and generous nature. After his retirement from the CIA, he dedicated himself to informing his fellow veterans about the issues important to them. Specifically, he was the author of a monthly column in a local newspaper dedicated to helping veterans.

Mr. Speaker, John Kay was a true gentleman who constantly searched for new proposals and reforms in an attempt to help his community. He was always open minded and he was always generous in his assistance to others. He will be sorely missed by myself and by his community.

ADLER PLANETARIUM AND THE MARS MILLENNIUM PROJECT

HON. DANNY K. DAVIS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. DAVIS of Illinois. Mr. Speaker, I am very pleased to recognize one of Chicago's premier institutions, the Adler Planetarium and Astronomy Museum, as they kick-off their contribution to the Mars Millennium Project and celebrate the grand reopening of their landmark building on October 1st.

Located on Chicago's beautiful lakefront, the Adler was founded in 1930 by Max Adler ''to be the foremost institution for the interpretation of the exploration of the Universe to the broadest possible audience.'' To help fulfill this mission, the Adler has become actively involved in the Mars Millennium Project using its StarRider™ Theater Mars Millennium Show as the centerpiece of their contribution.

The Mars Millennium Project is an official White House Millennium Council Youth Initiative, challenging students across the nation to design a community yet-to-be-imagined—for the planet Mars. This national arts, sciences and technology education initiative is guided by the U.S. Department of Education, the National Aeronautics and Space Administration and its Jet Propulsion Lab, the National Endowment for the Arts, the J. Paul Getty and others.

The world's first StarRider™ Theater is a 3D interactive virtual reality experience, which will transport visitors on a voyage to Mars and allows the audience to participate in developing a viable Martian colony. The audience flys over Mars, picks a place for their colony and then designs the architecture, cultural icons and symbols that will make the colony unique.

The Adler is working with the Illinois State Board of Education and the Chicago Public Schools Teachers Academy for Professional Development to involve classrooms from across Illinois in the Mars Millennium Project.

Throughout the project year, teachers will engage their students in project-based learning opportunities that will result in the development of student-created Mars colonies and Web pages.

Mr. Speaker, as we move into the Millennium it is important to engage the public in science and technology. The Adler's work with the Mars Millennium Program through the StarRider™ Theater and the reopening of their historic dome marks the advent of new era for the Adler Planetarium and Astronomy Museum.

CENTER FOR HUMAN RIGHTS ADVOCACY

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. UDALL of Colorado. Mr. Speaker, for the past decade, the Center for Human Rights Advocacy (CHRA), a public interest law firm based in my congressional district, has been monitoring and analyzing social, economic, political, and ethnic problems and anti-Semitic activities in Russia and the former Soviet Union. The organization's President and Chief Counsel, Mr. William Cohen, is frequently called upon in the United States, Canada, and the United Kingdom to provide expert information and testimony pertaining to human rights and anti-Semitism in Russia and the former Soviet Union. Mr. Cohen also serves on the board of the executive committee of the Union of Councils for Soviet Jews.

The primary focus of Mr. Cohen's advocacy ''is to make sure the doors remain open for Jews and all persecuted minorities.'' His recent report, ''The Escalation of Anti-Semitic Violence in Russia,'' demonstrates the level of danger facing Russian Jews in light of the increased frequency of anti-Semitic activity.

The report documents the chronology of the latest anti-Semitic events in Russia and the former Soviet Union. Much of this information has never been reported in the media. Mr. Cohen has gleaned most of this information from clients seeking asylum or refugee status.

Following is the summary of Mr. Cohen's report. I urge my colleagues to contact my office or the Center for Human Rights Advocacy in Boulder, Colorado, for a copy of the full report.

THE ESCALATION OF ANTI-SEMITIC VIOLENCE IN RUSSIA

(By William M. Cohen)

I. SUMMARY: ANTI-SEMITISM AND PERSECUTION OF JEWS IN RUSSIA HAS DRAMATICALLY ACCELERATED.

The Center for Human Rights Advocacy (CHRA) has been monitoring and analyzing social, economic, political, ethnic and anti-Semitism developments in Russia and the former Soviet Union (FSU) since its inception in early 1991. In addition, because of the persistent evidence and reports of anti-Semitism in Russia, the Union of Councils for Soviet Jews (UCSJ), on which the author serves as a member of the Executive Committee of the Board of Directors, has steadily increased its monitoring and reporting on human rights and anti-Semitism in Russia. In cooperation with the Moscow Helsinki Group, and aided by a grant from the United States Agency for International Development, trained monitors located throughout Russia now regularly report to UCSJ and CHRA on this growing phenomenon.

The persistent pattern of anti-Semitism and the pernicious practice of persecution of Jews in Russia was identified and summarized by CHRA in March of 1996:

''This phenomenon [i.e., steadily growing anti-Semitism is an atmosphere of economic hardship following the breakup of the FSU] is exploited by politicians and elected officials for political gain. It is manifested by acts of discrimination, insults, threats, and violence against Jews, Jewish property, and Jewish institutions. It is aimed, in substantial part, at driving Jews out of Russia to make room for Russians in a time of scarcity, economic distress, and political instability arising out of the destruction of the Soviet Empire. Moreover, it is clear that there now exists no Russian governmental agency able or willing to protect Jews from persecution because of their nationality or religion. The absence of any meaningful deterrent to such conduct plus the permission given to anti-Semites by leading politicians and elected officials to engage in such conduct encourages those who would persecute Jews to do so with impunity.

Since the economic crisis and the collapse of the ruble which struck Russian in August 1998, anti-Semitic expressions by leading politicians and elected officials, aimed at demonizing and scapegoating Jews, and, ultimately, at driving them out of Russia, have dramatically accelerated. This increase in anti-Semitic rhetoric has been accompanied by a concurrent increase in the number of violent acts targeting Jews, Jewish property, and Jewish institutions. Such violence is now frequent and widespread throughout the vast number of Russia's regions as well as in the major city centers of Moscow, St. Petersburg, and Nizhny Novgorod, the location of the three largest population of Jews in Russia.

The frequency and ferocity of the various anti-Semitic violent acts appears to be accelerating. At the same time, the governmental institutions upon which Jews and other targeted minorities must rely for protection against extremist violence are either unable or unwilling to effectively provide that protection.

In addition, during the political and economic crises which continue today in Russia following the August 1998 collapse, militantly anti-Semitic groups, such as Russian National Unity (RNU), have grown in size and popularity. Sensing both the impotence and indifference of law enforcement agencies, these groups have increased the openness of their anti-Semitic expressions with little or no effective action by government authorities to deter them. Under these circumstances, Jews in Russia continue to be vulnerable to anti-Semitic discrimination, violence, and persecution without any effective recourse to the Russian government at any level for protection against such prejudicial treatment.

Indeed, the risk to Jews in Russia today is greater than at any time since the breakup of the Soviet Union. The Russian government has so far demonstrated that it is both unwilling and unable to deter growing anti-Semitic violence against its steadily diminishing Jewish population. Hence, those aimed at driving Jews out of Russia, punishing them because of hatred of Jews, and scapegoating Jews for a variety of political ends can generally do so with impunity.

Faced with escalating anti-Semitic violence combined with indifference to these attacks by the general Russian populace, political exploitation of the phenomenon and government impotence to protect them, the Jewish community has resorted to funding its own security for Jewish institutions and turned to Western governments and non-governmental human rights organizations for help. Increasingly more Jews are also leaving Russia and the FSU permanently for Israel, the United States and other countries where they will be free from persecution because of their Jewish religion and nationality.

Absent a dramatic change in the economic, social and political climate in Russia, it is highly unlikely that the current atmosphere of openly and violently expressed anti-Semitism will diminish any time soon. To the contrary, the escalating incidents combined with government silence and ineffective law enforcement, indicate that Jews are at great risk in Russia today and for the foreseeable future.

This Report will first document the chronology of recent anti-Semitic events which demonstrate both the increased frequency and level of danger which accompanies them as well as the Russian Jewish Community's reaction. Next it catalogues the Western governmental and non-governmental organizations (NGO)'s response to this growing problem. Finally, it outlines the less than adequate, largely rhetorical response by the Russian Government to this problem.

HONORING PEGGY BRAVERMAN

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. ENGEL. Mr. Speaker, the Bronx is losing one of its most distinguished public servants and a woman who has done more for her borough and her community than we can ever thank her for. Peggy Braverman is retiring after more than 15 years as Deputy County Clerk for the Bronx where she oversaw a staff or more than 80 people as they helped residents secure business certificates, passports, and other significant documents while answering questions about jury duty and other matters.

She was always active in her community and the political arena. She was an administrative assistant in the Bronx Borough President's office from 1979 to 1985 and before that she served as an administrative assistant for then Councilman, now Assemblyman Stephen Kaufman. She was also Democratic District Leader for the 81st Assembly District.

At least as extensive was her work in the voluntary area. She was an active member of the Educational Jewish Center, the Morris Park Community Association, the Allerton Avenue Homeowners Association and the 49th Precinct Community Council. She also served as President of the PTA of Christopher Columbus High School and Vice President of JHS 135. She was also a scout leader.

Peggy Braverman is that rare person who serves her neighborhood and her fellow citizens in so many capacities, someone, who by their service, does so much to make government work and the community prosper. The people of the Bronx will miss her in government; let us hope we can keep her helping in the community. I want to join her legion of friends and admirers in wishing her in retirement what she has learned—the very best from life.

TRIBUTE TO DR. KENNETH MAURICE MATCHETT, JR.—A GREAT AMERICAN AND FRIEND

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to ask that we pause for a moment in honor of one of the finest people that I have ever had the pleasure of knowing. Dr. Kenneth Matchett, Jr. was a dedicated family man, a hard working physician and a model American. He gave selflessly to provide for his family and to help his community. Tragically, Ken died in a horse riding accident while competing in Phoenix, Arizona.

After graduating from Stanford with a degree in Biochemistry in 1963, he attended Cornell Medical College. There he was elected to Alpha Omega Alpha, the medical honorary society. It was not long until he realized his true passion, Internal Medicine. During 1967–1972, he completed his residency in Internal Medicine and a fellowship in Hematology/Oncology at Duke University. Soon after that he returned to his hometown of Grand Junction, Colorado, where he set up his own practice.

In addition to working tirelessly in his practice, he also maintained an active role in Saint Mary's Hospital. There Ken served as President of the Medical Staff and as a member of the Board of Directors. As if these accolades are not enough, he also went on to found the Oncology Unit for the care of cancer patients at Saint Mary's Hospital. The fine Doctor had a special reassuring warmth with his patients.

Ken is survived by his wife Sally, their three daughters, Nancy Jean, Sarah Mary and Emily Ruth, three sons–in–law and two grandchildren. His family was precious to him.

It is with this, Mr. Speaker, that I pay tribute to the life of Ken Matchett. I wish that everyone could have had the pleasure of knowing this man. He was a great American and a friend of many.

TRIBUTE TO THE LATE SURESH KWATRA

HON. JACK QUINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. QUINN. Mr. Speaker, before the first session of he 106th Congress adjourns, I want to pay tribute to Mr. Suresh Kwatra, a dedicated 25-year career employee of the United States Department of Veterans' Affairs, who died unexpectedly on June 21, 1999.

Mr. Kwatra was indeed an inspiring individual. He was an accounting graduate of Delhi University. He immigrated to the United States from his native India in 1969 and served in the United States Army during the Vietnam conflict, shortly after gaining his American citizenship.

Mr. Kwatra began his career with the former Veterans Administration in 1974. He served as a veterans benefits counselor, strategic planner with VA's national cemetery system, and statistician and analyst in the Office of VA's Assistant Secretary for Policy and Planning. Because of his exceptional initiative and professionalism, the Congressional Veterans' Claims and Adjudication Commission selected Mr. Kwatra to be an analyst and project manager. In my role as chairman of the Subcommittee on Benefits, Committee on Veterans' Affairs, I have read his insightful analysis in the commission's report.

Mr. Speaker, Suresh Kwatra came to America, served proudly and honorably in our military, and then committed his life to serving fellow veterans for a quarter of a century. To Suresh's former co-workers, members of his church and community, his wife of 25 years Shoba, and sons Sameer and Naveen, I say that Suresh Kwatra was more than an inspiring individual, indeed he was an American hero.

HISTORIC ENCOUNTER BETWEEN SAN JUAN PUEBLO AND SPAIN

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. UDALL of New Mexico. Mr. Speaker, on October 31, 1999, the headline of the Sunday Journal North edition of the Albuquerque Journal read: ''Pueblos, Spain Forging Ties.'' That headline and the accompanying article recognized ground-breaking events whose importance extends beyond the Third Congressional District of New Mexico. Events that are living proof that centuries-old wounds to the dignity of our Native American communities, particularly our New Mexico Indian Pueblos, can be healed through good will on the parts of the leaders of those Pueblos and the government involved. In this case, that government is the government of Spain.

Students of American history know that four and a half centuries ago our American Southwest was explored by the government of Spain, which eventually led to Spanish settlement there four centuries ago. Those 1598 Spanish colonists led by Don Juan de Oñate did not find themselves alone: they settled in the midst of Indian Pueblos that had been thriving, vital established communities since time immemorial.

The relationship between the Spanish settlers and the original Pueblo Indian inhabitants were filled with conflict and occasional violence. Through it all, the Pueblo Indian communities, including the Pueblo of San Juan where Juan de Oñate established the first Spanish capitol of New Mexico, struggled endured and held on to their culture, their traditions and even their internal government.

On April 3, 1998, acting on behalf of the 19 Indian Pueblos that comprise the All Indian Pueblo Council of New Mexico, San Juan Pueblo Governor Earl N. Salazar became the first tribal official in the history of New Mexico and the United States to invite an official representative of the Government of Spain, its Vice President Francisco Alvarez-Cascos, to visit San Juan Pueblo in commemoration of the four-hundredth anniversary of the permanent meeting of the two cultures. That invitation was made because in the view of the San Juan Tribal Council after four hundred years, reconciliation and healing were important. In the words of one San Juan Pueblo spiritual leader, ''It was not right to teach our children to hate.'' What an incredible and brave statement that was!

As a result of Governor Salazar's invitation, on April 26, 1998, the Governors of New Mexico's 19 Pueblos, led by this remarkable young man, Governor Salazar, met with Vice President Alvarez-Cascos and Antonio Oyarzábal, Spanish Ambassador to the United States. The meeting was also attended by many of New Mexico's state and local government dignitaries. At that meeting, Governor Salazar reflected: ''Today is a historical day for all of us because for the first time since that contact at Oke Oweingeh four hundred years ago, we, the descendants of our respective peoples and nations, are meeting to reflect upon the past and present, and together chart a new course of the relationship of our children and their future.'' Speaking for the Spanish delegation, Vice President Alvarez-Cascos stated ''It is in the future history, the one we need and want to write together, that we will find reconciliation, fruit of a new will for two cultures who have learned to overcome the pain and suffering of the past, two people who want to know each other better, who want to build a new friendship.''

Subsequently, Governor Salazar, his wife Rebecca, Governor Gary Johnson of New Mexico and First Lady Dee Johnson were extended an official invitation to visit Spain. The objective of the visit was to build on the foundation established during the April 26, 1998 meeting hosted by Governor Salazar and the nineteen New Mexican Indian Pueblos. The official visit to Spain, which became known as ''Re-encuentro de Tres Culturas'' or the ''Re-encounter of Three Cultures''—referring to the Indian, Spanish and American cultures—took place on November 18 through 23, 1998. The United States Ambassador to Spain, Ed Romero, a descendant of those first Spanish colonists in New Mexico, also took part in the meetings and events. At the official reception, Governor Salazar, whose mother Maria Ana Salazar is full blooded San Juan Tewa Indian and whose father is State Representative Nick L. Salazar, a Hispanic elected official in New Mexico, delivered a blessing in Tewa. The essence of that blessing was ''Now it is time for all of us to sit down and establish a framework for how we will work with each other to establish an enduring relationship based on honor, trust, mutual respect, love and compassion.''

During the Re-encuentro de Tres Culturas, the Prince of the Asturias, His Royal Majesty, Felipe Bourbon, made a special visit to meet Governor Salazar, Governor Johnson and the rest of the New Mexico delegation which included State Representative Nick L. Salazar, Española Mayor Richard Lucero and Rio Arriba County Commissioner Alfredo Montoya. The King, along with other high-ranking Spanish Officials, witnessed the performance of the Sacred Buffalo Dance performed my Pueblo Indian members of the delegation from New Mexico. In appreciation for his courageous leadership, His Majesty presented Governor Salazar with a medal making him a member of the Order of Isabel De la Catolica, grade of encomienda. The medal is awarded to individuals whose ''Pure Loyalty'' by deeds and actions have helped to foster better relations between Spain and America. Governor Salazar is the first Indian Governor upon who this honor has bestowed.

As noted in the October 31, 1999 Albuquerque Journal article, the courage of Governor Salazar and the rest of the New Mexico's Pueblo Indian leaders is beginning to

bear fruit beyond the reconciliation of these traditional peoples of the United States and Spain. The New Mexican Pueblos and Spanish government representatives have now entered into an agreement creating an exchange program for teachers and students. The agreement, in the form of a Memorandum of Understanding, was signed by the Indian Pueblo governors, the Spanish Ministry of Culture, Spanish Vice President Alvarez-Cascos, the New Mexico Office of Indian Affairs and the Santa Fe Indian School. As Governor Salazar indicated, Pueblo Indian history is tied to Spain. As a consequence, the Pueblos ''decided to renew * * * and develop a relationship that has long-term interests for both sides.'' He also noted that the Memorandum of Understanding is a first step toward forming more agreements with Spain in the future, such as trade and commerce pacts.

Governor Salazar's efforts deserve recognition because they have now become an important part of the history of New Mexico and our country. And because they demonstrate that, as Elizabeth Kubler-Ross once said, ''there is nothing that cannot be healed.'' All it takes is people with courage and a commitment to justice and reconciliation. Governor Salazar never planned for all of this to happen. He simply followed the path of his spirit in an effort to work for the people of his Indian Pueblo and for his Hispanic citizens in the surrounding Española Valley. As someone else has said, ''there is no holier place than that where an ancient hatred has yielded to forgiveness.'' For creating such a place in the heart of our American Southwest, he deserves our thanks and deepest appreciation.

LEWIS AND CLARK HISTORIC TRAIL TECHNICAL CORRECTNESS ACT OF 1999

HON. BRIAN BAIRD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. BAIRD. Mr. Speaker, today I rise to introduce legislation that will correct a longstanding historical inaccuracy dealing with the Lewis and Clark National Trail System. Currently, the Lewis and Clark National Trail designation reads that the expedition traveled ''from Wood River, Illinois to the mouth of the Columbia River in Oregon.'' My colleagues, unfortunately, this does not tell the whole story. My legislation would amend the designation to include Washington State along with Oregon as the end point of this important journey in American history.

The journey of Lewis and Clark is one of the most important events in American history. That is why it is imperative not only that the story of Lewis and Clark be told, but that their story be told with accuracy and historical correctness. Unfortunately, the current Lewis and Clark Historic Trail designation fails to recognize the important events that took place in Washington State during the expedition.

When President Thomas Jefferson sent Meriwether Lewis, and William Clark on their now famous expedition, he sent them with many goals in mind. Over the next four years, the Corps of Discovery would travel thousands of miles, experiencing lands, rivers and peoples that no Americans ever had before. But the single overriding imperative of the entire enterprise was to find a navigable water route to the Pacific Ocean.

Mr. Speaker, I am proud to say that the Corps of Discovery accomplished that objective on November 15, 1805—and they did so in one of the most scenic places on earth, Pacific County, Washington.

Theirs was not an easy journey; it took great skill, tremendous perseverance and immense dedication. There are hundreds of events that took place along the way that tested each of these attributes. One of the most important of these watershed events took place on the Washington State side of the Columbia River, on November 24, 1805.

With little food, rotting clothes, and winter soon approaching, the group huddled to decide where to camp for the winter. The pressing question: should they stay on the north side of the river in what would later become my home state of Washington, or should they risk a tricky river crossing to find a more sheltered spot on the south side of the river? Because there were these two differing ideas about where to spend the winter, Captain Lewis and Captain Clark allowed the entire party to vote on where to camp. What is important to remember is that among those who were allowed to vote was York, a African-American slave, and Sacajawea, a young Native-American woman.

This exercise of democracy took place more than 50 years before the abolition of slavery and the passage of the Thirteenth Amendment, more than 100 years before the ratification of the Nineteenth Amendment which gave women the right to vote, and nearly 160 years before the passage of the Voting Rights Act which extended these liberties to even more Americans

Mr. Speaker, as I am sure you are aware, the bicentennial Lewis and Clark's famous journey is rapidly approaching. The bicentennial is going to be of great importance both culturally and economically to my home state, and those impacts will be felt in many small towns and big cities all along the Lewis and Clark trail.

Knowing the important part that Southwest Washington played almost 200 years ago in this journey, I want to make sure that the National Park Service documents are historically accurate and complete. My legislation will help ensure that outcome. Therefore, Mr. Speaker, I urge my colleagues to join me in supporting this simple legislation, the Lewis and Clark Historic Trail Technical Corrections Act of 1999.

SECOND GENERATION OF ENVIRONMENTAL IMPROVEMENT ACT

HON. JAMES C. GREENWOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. GREENWOOD. Mr. Speaker, today I am introducing, along with my colleagues, Mr. DOOLEY, Mr. BOEHLERT and Ms. TAUSCHER, the ''Second Generation of Environmental Improvement Act of 1999.'' This bipartisan bill has two related purposes—to improve the information practices of the Environmental Protection Agency (EPA) and to encourage the EPA to experiment with more innovative approaches to protect the environment.

Our overall goal is to move our nation toward a performance-based system of environmental protection—a system that will do a better job of protecting the environment, while providing greater flexibility to companies and states to determine how to meet tough, clear environmental standards. Our watchword in writing this bill has been to provide greater flexibility in return for greater accountability.

In moving in this direction, we are following the recommendations of a variety of recent reports, including the Enterprise for the Environment, headed up by former EPA Administrator Bill Ruckelshaus; the President's Council on Sustainable Development, the Aspen Institute and the National Academy of Public Administration. We need to allow and encourage more experimentation to see if innovative approaches to regulation will produce the desired results. Our incremental bill will do just that.

Mr. Speaker, we are introducing this bill today to spark discussion on this approach to environmental policy, which we think should be at the heart of moderate environmental reform. But we still have much work to do. The bill still needs both technical and substantive work, and we do not intend to move it forward in its current form. Rather, we plan to introduce a refined version early in the next session after more meetings with experts on all sides of the environmental debate. But we think the bill in its current form does indicate the basic shape and principles of the bill that we will move forward.

This bill should be of interest to anyone who wants to ensure that we will continue to work to make our environmental protection system as effective and efficient as possible. We encourage anyone interested to comment on this version of the bill, so that we can take those concerns into consideration as we work on the version we will introduce next session.

TRIBUTE TO THE FOX CHAPEL HIGH SCHOOL HONORING THEIR RECOGNITION AS A 1999 NEW AMERICAN HIGH SCHOOL NATIONAL SHOWCASE SITE

HON. MICHAEL F. DOYLE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. DOYLE. Mr. Speaker, I rise today to honor the Fox Chapel Area High School as they have been selected by U.S. Department of Education and The National Association of Secondary School Principals (NASSP) as a 1999 New American High School (NAHS) national showcase site.

Fox Chapel Area High School is one of only 13 schools across the country that were recognized for setting a new standard of excellence for all students. They have earned this national recognition through the success of their school improvement efforts and the commitment of the school staff and community to high levels of student achievement.

Specifically, Fox Chapel Area High School has been recognized for the following: an attendance rate of 96 percent; an average Scholastic Aptitude Test score of 1091, which exceeds state and national averages; an enrollment of 47 percent of juniors and seniors in Advanced Placement classes; and an eligibility rate of 86 percent of those students who took

the Advanced Placement exams and scored high enough to obtain college credit.

In the school year 1992–93, Fox Chapel Area High School received the honorable designation as a Blue Ribbon Secondary School of Excellence for displaying outstanding effectiveness in meeting local, state, and national educational goals. Receiving the honor of being named a 1999 New American High Schools national showcase site further demonstrates the overall commitment by the staff, parents and community to ensure that all students meet challenging academic standards and are well prepared for college, careers, and life.

Congratulations Fox Chapel Area High School. I wish you the best of luck in your future endeavors to continually improve upon the quality of the education of our youth.

INTRODUCTION OF STEWARDSHIP EDUCATION, RECREATION, AND VOLUNTEERS FOR THE ENVIRONMENT (''SERVE'') ACT OF 1999

HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. UDALL of Colorado. Mr. Speaker, together with my colleague and cousin, Mr. UDALL of New Mexico, I am introducing a bill to encourage greater cooperation between the public—especially young people—and the federal government to enhance the stewardship of the natural and cultural resources of the federal lands and the recreational, educational, and other experiences they provide for so many people.

The bill is called the Stewardship Education, Recreation, and Volunteers for the Environment Act—the ''SERVE Act'' for short.

Mr. Speaker, this bill reflects the joint effort of my office and that of my cousin and colleague, Mr. UDALL of New Mexico. It is truly a Udall-Udall bill, and it's only at my cousin's suggestion that my name is listed first—for once, I decided to accept one of his ideas.

Mr. Speaker, the lands that belong to the American people—the National Parks, national forests, wildlife refuges, recreation areas, and the lands managed by the Bureau of Land Management—are enjoyed by literally millions upon million of visitors each year. People visit them for sightseeing, wildlife watching, hunting, fishing, hiking, and camping opportunities.

In Colorado alone visitors can experience a wide range of outdoor recreation and education opportunities. From the isolated tundra and towering peaks of Rocky Mountain National Park to the city-surrounded greenery of the Two Ponds National Wildlife Refuge, to the sparkling mesas and sandstone arches of BLM lands on the western slope and all the wonderful areas in between, we are blessed with an incomparable heritage that we gladly share with people from across the country and around the world.

But the visitors often don't realize how much they owe to the efforts of the many volunteers who have selflessly given their time and expertise to help the professional personnel of the land-managing agencies. Without the hard work, dedication and enthusiasm of these volunteers, it would be impossible for the Federal agencies to come as close as they do to meet the demands for adequate maintenance and sound management of these lands.

We think it's in the national interest to properly recognize their contributions, and our bill is intended to do that. It's also intended to provide greater authority for the land-managing agencies to cooperate with volunteers, and to encourage those agencies to reach out to young people to help them learn about the resources and values of the federal lands as well as about the importance of proper stewardship of those resources and values and the opportunities for careers with agencies concerned with the management of natural or cultural resources.

There were some efforts along these lines in the past. Some of the land-managing agencies have been given authority to recruit and recognize individuals who donated their energy, time and expertise to enhance our federal and public lands for all Americans to enjoy. However, there is more that can and should be done.

Our bill would direct the Secretary of Agriculture and the Secretary of the Interior to establish a national stewardship award program to recognize and honor individuals, organizations and communities who have distinguished themselves by volunteering their time, energy and commitment to enhancing the Nation's parks, forest refuges and other public lands.

As a minimum, the program would include a system of special passes for free admission to and use of federal lands that would be awarded to recognize volunteers for their contributions.

The bill would also encourage an attitude of stewardship and responsibility towards public lands by promoting the participation of individuals, organizations and communities in developing and fostering a conservation ethic towards the lands, facilities and the natural and cultural resources. Specifically, it calls on the Federal land managing agencies to enter into cooperative agreement with academic institutions, State or local government agencies or any partnership organization. In addition, the Secretaries would be enabled to provide matching funds to match non-Federal funds, services or materials donated under the cooperative agreement.

Further, the bill encourages each Federal land management agency to cooperate with States, local school districts and other entities to (1) promote participation by students and other young people in volunteer programs of the Federal land management agencies, (2) promote a greater understanding of our Nation's natural and cultural resources, and (3) to provide information and assistance to other agencies and organizations concerned with the wise use and management of our Nation's natural and cultural resources.

Mr. Speaker, I am proud to have this opportunity to extend my own appreciation to the federal land managing agencies and the many volunteers who assist them. The point of this bill is to extend that recognition on a formal and national basis, and to build on the sound foundation that they have laid. I hope we can send it to the President for signing into law soon after we reconvene next year.

TRIBUTE TO COLONEL CARL J. LEININGER

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. VISCLOSKY. Mr. Speaker, I would like to pay tribute to an outstanding American, an outstanding soldier, and an outstanding officer who has contributed immeasurably to the good relations between the Army and the House of Representatives. On December 31, 1999, Colonel Carl J. Leininger retires after over 28 years of dedicated service to America and our great Army. Throughout his career, Carl Leininger has provided forward-looking leadership characterized by a unique intellect and strategic vision. He has served with distinction in positions of increasing responsibility from platoon to the Office of the Secretary of Defense, always demonstrating the highest degree of leadership and professionalism, while making lasting contributions to Army readiness and mission accomplishment.

As we honor his retirement, we note that Colonel Leininger's distinguished career has stretched nearly three decades, culminating in his service as Chief of the Army's Congressional Activities Division. In this position, Colonel Leininger has served as principal advisor to the Army's senior leaders for their personal meetings with Members of Congress, and for their testimony before committees of this House. He has ensured that the Army's senior leaders provide a coherent, cohesive and meaningful message to the Congress. Colonel Leininger has also contributed to the increasingly effective relations between the Army and the House with his active sponsorship of an annual Congressional Briefing Conference for the Army's Congressional Actions Contact Officers, allowing Members to connect with those managing the planning and programming of Army resources.

Colonel Carl Leininger was born in Pennsylvania, but grew up Indiana. Carl and I graduated together from Andrean High School in 1967. There our paths diverged, I staying home to attend Indiana University, and Carl heading to the banks of the Hudson to attend the United States Military Academy. While there, he played basketball for someone who has since become an Indiana institution, Coach Bob Knight. Graduating from West Point in 1971, Carl was commissioned a second lieutenant of infantry. After receiving his Airborne wings and Ranger tab, Carl's first assignment was as an infantry platoon leader in the 4th Infantry Division at Fort Carson, Colorado.

Colonel Leininger then transferred to Military Intelligence, serving in intelligence assignments at battalion, division, the Army's Intelligence Threat and Analysis Center, and Supreme Headquarters, Allied Powers Europe. Carl also received a masters in political science from Yale, taught social science at West Point, and served as an Army congressional fellow to another Indiana legend, Representative Lee Hamilton.

For the last decade, Carl Leininger has served at the highest levels of the North Atlantic Treaty Organization, the Army, and the Defense Department. He served as a speech writer to the SACEUR, the Army Chief of Staff, and the Secretary of Defense. He also served

as Chief of the Army's Congressional Activities Division. In these positions, Carl has exhibited that rare combination of Midwestern-bred common sense, Ivy League-honed scholarship, and West Point-forged sense of Duty, Honor and Country in making extremely complicated issues readily understandable for senior Defense and Army officials, Members of Congress, and the public at large.

Mr. Speaker, I ask that you and all of my colleagues join me in congratulating Colonel Leininger on a productive and happy retirement. I offer my personal thanks to my longtime friend, a soldier whose selfless service has truly made a difference, Colonel Carl Leininger.

CELEBRATING THE LIFE OF DORIS RENICK

HON. MIKE THOMPSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. THOMPSON of California. Mr. Speaker, last week the Coyote Valley Band of Pomo Indians lost a very dear friend, spiritual symbol and elder—Doris Renick.

Doris was an active and visionary leader and the Tribe's many successes can be attributed to her tenure as tribal administrator and chairperson.

In fact, while serving as chairperson and with the help of other family members, Doris was instrumental in getting the land base in Redwood Valley redesignated from a rancheria to what is now known as the Coyote Valley Reservation. This accomplishment opened the door for obtaining housing for tribal members and to have a recreation building constructed on the reservation.

But key to the community's future was finding new economic opportunities. As such, many say that Doris' most important accomplishment was the opening in 1993 of the Shodakai Coyote Valley Casino, which now provides more than 200 jobs for tribal members and neighbors.

As a State senator, I had a number of occasions to work with Doris and I can attest to her enthusiasm and caring attitude. In fact, her active involvement in a number of local, State, and national organizations attests to her interest in serving all citizens and her ability in bringing people together. Doris, for example served on the Mendocino County Economic Development Commission and helped promote county-wide projects that benefited all residents, not just her Tribe.

Doris also chaired the California Council of Tribal Governments, the California Elders Program, the Consolidated Indian Health Consortium, and the California Indian Health and Disability Board. And she took particular interest in Indian education and bilingual/bicultural programs. Interestingly, her advocacy for improving the delivery of health care came not only from her training and work as a registered nurse, but also her longtime bout with severe rheumatoid arthritis. To be sure, the disability never slowed her down.

Mr. Speaker, the members of the Coyote Valley Band of Pomo Indians and residents of Mendocino County celebrate the life of Doris Renick. She will be sorely missed, though all around us there are continual reminders of her loving and caring nature.

I join the community and family and friends in mourning Doris' passing and celebrating her life and I extend my heartfelt condolences to all whose lives were touched by her.

IN HONOR OF JEAN AND FRANK PERRUCCI, RECIPIENTS OF THE ''LIFETIME ACHIEVEMENT COUPLE'' AWARD FROM THE BAYONNE HISTORICAL SOCIETY, INC.

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize Jean and Frank Perrucci for receiving the ''Lifetime Achievement Couple'' award from the Bayonne Historical Society, Inc., and for their extraordinary accomplishments in community service.

The Perrucci's, who have dedicated their time and service to the City of Bayonne for more than fifty years, are the first couple to be jointly recognized by the organization. From veterans organizations, to school charities and church functions, the Perrucci's willingness to get involved and work toward the improvement of the City of Bayonne has been exceptional.

A World War II veteran of the United States Army and the Maritime Service, Mr. Perrucci has continued to play an integral role in a variety of veterans groups. Of the many organizations he is involved with, Mr. Perrucci serves as chairman of the World War II Welfare Fund and as commander of the Hudson County Catholic War Veterans. In addition, he is president of Bayonne for the Battleship of New Jersey, Inc.

Mr. Perrucci's efforts on behalf of war veterans have not gone unnoticed. He has been recognized by the Catholic War Veterans, receiving the Hudson County Home Award and Hudson County Commanders Award, and was honored again by the National Catholic War Veterans, receiving the National Award and the Lifetime Member Award.

Jean Perrucci, a life-long resident of Bayonne, has been a community activist for more than three decades. Never turning away from a challenge or the chance to help someone in need, Mrs. Perrucci is a wonderful role model for civic and community involvement.

Mrs. Perrucci has been instrumental to so many organizations, offering her knowledge, guidance, and experience. From serving as Chair of the ''I Love Bayonne'' project, to collecting food for the Make A Difference Day program, to raising funds for the Bayonne Vietnam Memorial monument, Mrs. Perrucci's work has greatly impacted the lives of the residents of Bayonne.

Mr. and Mrs. Perrucci, the parents of four children and seven grandchildren, spearheaded and founded a grassroots organization called the Concerned Citizens of Bayonne twenty-nine years ago and instituted the Frank P. Perrucci Scholarship Award for students.

For more than fifty years of extraordinary service to the City of Bayonne, I ask my colleagues to join me in congratulating this remarkable couple on receiving the Bayonne Historical Society, Inc.'s ''Lifetime Achievement Couple'' award. Their contributions to the City and to the 13th Congressional District remain unmatched and I wish them luck in their future endeavors.

TRIBUTE TO MIKE PERRY

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. McINNIS. Mr. Speaker, I would like to take this brief moment to congratulate and thank Mike Perry for his service and leadership on behalf of the Grand Valley over the last 15 years. In that time, Mike has overseen the opening of the now widely renowned Dinosaur Valley, served as the Director of the Museum of Western Colorado, and, for the last nine years, worked as the Executive Director of the Dinamation International Society. In that time, Mike has distinguished himself greatly. What's more, he has made our community a better place in which to live.

Unfortunately for western Colorado, Mike will be leaving the Grand Valley next month to pursue an outstanding professional opportunity in The Dalles, Oregon. Mike has taken the job of Director at the Columbia Gorge Discovery Center and Wasco County Historical Museum in The Dalles area.

While saddened that Mike will no longer be a part of our community, I know that western Colorado is a better, more culturally vibrant place because of his service. Our loss, is clearly The Dalles' gain.

As Mike moves on to this new challenge, Mr. Speaker, I wish him only the best of luck in all of his personal and professional endeavors. We are thankful for his service over the past 15 years and wish him all the best in the future.

HONORING SYLVIA STAHL

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. ENGEL. Mr. Speaker, Sylvia ''Sally'' Stahl, a dedicated wife, mother, and grandmother is celebrating her 80th birthday and I want to take this occasion to join her family and her many friends in wishing her a happy birthday.

She has lived all of her 80 years in the Bronx where her parents instilled in her the virtues and ethics she has lived by and which she passed on to her children and grandchildren. Her parents, Max and Sarah, came to America from Eastern Europe so they and their children could enjoy the America's freedom.

She and her twin sister, Miriam, and her brother, Sydney, were raised in the Bronx. She and her husband, Harry, purchased their home in the Allerton section of the borough, and she lives in that house still. She and Harry were both active in the community and Sally is still an active member of Hadassah. During World War II, when Harry served with the SeaBees, she worked at the Brooklyn Navy Yard.

She also did volunteer work at Bronx Lebanon Hospital for more than 20 years. Sally has recovered from three bouts with cancer.

but not even that could slow this remarkable lady down. She is still active and drives throughout the Bronx and Westchester County.

She is the mother of Robert and Paul, mother-in-law of Josephine and Helene, grandmother to Jarret, Lindsay, Dana and Eric. I am proud and honored to join Sally, her family and her friends on this wondrous occasion.

EARTH DAY INTRODUCTORY STATEMENT

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. UDALL of New Mexico. Mr. Speaker, today I rise to introduce a resolution recognizing the growing observance of Earth Day. On April 22, 1970, 20 million Americans celebrated the first Earth Day. Since Earth Day's first observance, the number of Americans celebrating Earth Day and the number of countries observing Earth Day has steadily risen. In fact, Earth Day is now observed in more than 140 countries.

Every year on April 22, millions of Americans and millions of people throughout the world participate in activities that call attention to harmful human activities that impact our natural environment. These calls have not gone unanswered. Since the first observance of Earth Day, Congress has passed the Clean Air Act, the Clean Water Act, and the Endangered Species Act in an effort to halt and roll back the harmful impacts of human activity. In addition, we have seen the creation of the U.S. Environmental Protection Agency, and just recently, in the House Committee on Resources, we witnessed a successful bipartisan effort to provide funding for an array of conservation and wildlife programs.

Earth Day provides an opportunity to learn about the positive actions we can take to improve energy efficiency; to develop safe, renewable energy sources; to design goods that are durable, reusable, and recyclable; and to eliminate the production of harmful wastes while protecting our environment and encouraging sustainable development throughout the world.

Mr. Speaker, this resolution recognizes the importance of Earth Day and calls on the House of Representatives to recognize that Earth Day should be established to draw attention to the impact of human activity on the natural environment, to alert the world to environmental threats to human health and well-being, and advocate personal actions and public policies to promote and preserve a healthy, diverse, resilient, and productive world for our children and our children's children.

This is a companion measure to one already introduced in the other chamber by Senator JEFF BINGAMAN of New Mexico.

Mr. Speaker, I ask this body to support this worthy resolution.

HONORING JOHN OLSEN AS HE RECEIVES THE STATE OF ISRAEL BONDS LABOR MEDAL

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Ms. DELAURO. Mr. Speaker, I rise today to honor my good friend John W. Olsen as he receives the State of Israel Bonds Labor Medal for his lifelong contributions to the labor movement in the State of Connecticut.

Created in 1951, State of Israel Bonds serves as the cornerstone of Israel's economy. Committed to improving Israel's infrastructure as a whole, Israel Bonds provides financial support for the construction of research facilities, transportation networks, communications links, and the expansion of port and airport facilities. Its commitment to the betterment of Israel's people and its economy is unparalleled—helping transform the state of Israel into one of the world's leading industrial nations.

In many ways, John's commitment to the labor movement is reflective on Israel Bonds' commitment to the state of Israel. Since he began his career as a member of the UA Local 133, Plumbers and Pipefitters, John has dedicated his life to working families. He has fought for better wages, more comprehensive health benefits for workers and their families, and safer work environment. As President of the Connecticut AFL–CIO, John has forced the largest corporations in Connecticut to listen to their employees' and afford them these basic rights. He has been a true leader for our working families, giving them a voice during the hardest of economic times.

John has also worked hard to make Connecticut a better place to live and grow. He has been active in state and national politics, serving on the Democratic State Central Committee and the Democratic National Committee. He also serves on a number of boards and commissions with the purpose of making Connecticut's workers the most productive in the nation. Over the years, John has become an ambassador for the labor movement, spreading its message of helping and protecting working families through lectures, newspaper columns, and on the radio. We in Connecticut have much to thank John for—his contributions have been truly invaluable.

It is with great pride that I rise to join friends and family in saluting my dear friend, John, as he receives the State of Israel Bonds Labor Medal. Congratulations.

PERSONAL EXPLANATION

HON. VITO FOSSELLA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. FOSSELLA. Mr. Speaker, I am not recorded on rollcall numbers 587, 588, 589, 590, 591, 592, 593, 594, and 595. I was unavoidably detained and therefore could not vote for this legislation. Had I been present, I would have voted ''aye'' for rollcall numbers 587, 588, 589, 590, 591, 592, 593 and 594. I would have voted ''no'' for rollcall number 595.

TRIBUTE TO MICHAEL TERRELL

HON. ANNE M. NORTHUP

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mrs. NORTHUP. Mr. Speaker, I rise today to congratulate and honor a Kentucky teacher from my district who has achieved national recognition for his exemplary role in educating young students. Michael Terrell of Louisville is one of 29 teachers from across the country selected for USA TODAY'S 1999 ALL-USA Teacher Team. He should be extremely proud to have been both nominated by a colleague and to have received an award conferred on the most impressive teachers in the nation. In light of constant stories about the crisis in our nation's schools, it is vital that we recognize the dedication and outstanding achievements of our teachers. It is my honor to pay tribute to someone who has made such a difference to so many children.

Michael Terrell has had a distinguished career as a primary teacher for 27 years, including 18 years at Cochran Elementary School where he currently teaches first and second grades. Thanks to Michael Terrell's devotion and selfless contributions, the Cochran Elementary School is filled with spirit and activism. His hard work and dedication to making schools better and improving the lives of his students, both encourages parents to get involved and sets an example for all teachers to follow. He is one of the people who helps create the vitality of Cochran Elementary School and his enthusiasm creates a can-do attitude. He is responsible for the many successes there which, in turn, positively affect our entire community's well-being.

Mr. Terrell is a teacher who knows how to get the job done. He knows it takes hard work, it takes flexibility, and it takes a commitment to each child. I was proud to hear that Michael Terrell supports what this Congress is trying to do—give schools and teachers the ability to make the choices which best reflect their students needs. We are all in agreement that such changes will help improve education—for Michael Terrell and his students. Because of all he does, I salute Michael Terrell for working so hard to make our schools a flourishing environment for our children to learn, grow and play.

TRIBUTE TO RONALD L. BOOK

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mrs. MEEK of Florida. Mr. Speaker, I rise to honor Ronald L. Book, one of Florida's truly remarkable citizens. Without ever holding elective public office, Ron Book has had a tremendous and positive influence on our state and our community for over 25 years.

Ron's tireless efforts and knowledge of both government and business has led to hundreds of millions of dollars in private and public investment in Miami-Dade County and throughout the State of Florida, resulting in the creation of thousands of new job opportunities, improving the quality of life for our citizens and greatly enhancing our position as a destination

of choice for vacationers and sports enthusiasts from around the nation and the world.

His efforts on behalf of the homeless and dozens of charitable organizations ranging from the Special Olympics to the Epilepsy Foundation to the Humane Society are not well-publicized, but they point out that, when it comes to community service, Ron Book is all business. In the highest traditions of public service, he is most generous with his time and attention in helping people who cannot themselves solve the problems that they face.

I have known Ron Book since he was just a youngster, making a name for himself working on local campaigns. As is the case today, everyone who met him then was impressed with his intelligence, hard work, devotion to principle and leadership capabilities. No one was surprised that Ron served as Vice President of his High School Class, or served in the University of Florida's Student Senate, or that he started working for a Florida legislator before he even graduated from college.

Because of his interest in government and desire to develop his own considerable capabilities, law school was a natural next step for Ron, as were his service as a Special Assistant to Governor Bob Graham; his employment in two of Florida's preeminent law firms; and the creation of his own law firm.

On December 14, 1999, Ron Book's achievements will be recognized at a testimonial dinner sponsored by the American Association of Bikur Cholim Hospital, Jerusalem's first hospital and one of Israel's preeminent medical care facilities. Mr. Book will be presented Bikur Cholim's International Brotherhood Award in recognition of this outstanding contributions to both his profession and our community.

Mr. Speaker, I know that my colleagues join with me in congratulating Ronald L. Book on this great honor.

TRIBUTE TO RABBI GERSHON AND SHARENE JOHNSON

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. SHERMAN. Mr. Speaker, I rise today to pay tribute to Rabbi Gershon and Sharene Johnson in honor of their ''Silver Celebration'' at Temple Beth Haverim in Agoura Hills, California. This loving couple has spent 25 years as leaders in the Jewish community, both spiritually and educationally.

Rabbi Gershon Johnson has served as Rabbi at Temple Beth Haverim since 1988. He is described by many as the temple's incomparable spiritual leader. His devotion and expertise as a Rabbi are evident in his presence as a chaplain for the Southern California Board of Rabbis. He has always been extremely interested in passing on his love for and knowledge of Judaism. The Elderhostel program at the Brandeis Bardin Institute has benefited from Rabbi Gershon's knowledge, and he is one of their most popular teachers. He also has been instrumental in introducing religion to beginners through his ''Introduction to Judaism'' class sponsored by the University of Judaism.

Sharene Johnson is the wife of Rabbi Gershon, and has worked for the betterment of the Jewish community in many different ways. She has taught at several Jewish day schools throughout the United States, and has been involved in programming and consulting at Jewish resource centers as well. Her leadership has shone through as chairperson on the Principal's Council at the Bureau of Jewish Education. For the past 11 years, she has passed on her wealth of experience and knowledge as Director of Education at Temple Ner Marev in Encino, California. The Jewish community also enjoys her teaching through adult workshops and her conducting of a women's Torah Study class at Temple Beth Haverim.

In addition to their devotion to the temple, they have become a model of excellent family life and values. Rabbi Gershon teaches the ''Making Marriage Work'' program at the University of Judaism. Sharene leads several family workshops each year, and has spent much of her time working with families and children. They have been happily married for 27 years and have raised 3 wonderful children—Gavi, Rachel, and Aliza.

Mr. Speaker, distinguished colleagues, please join me in paying tribute to Rabbi Gershon and Sharene Johnson. They are both deserving of our utmost respect and praise.

HONORING EDWARD WEISS

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. ENGEL. Mr. Speaker, public service, when performed wisely and well, is the most noble of callings. I speak today to honor a man who has been in public service and who performed in just those ways. Edward Weiss is retiring from the United States Department of Justice, Immigration and Naturalization Service, after 30 years of service.

In his many capacities with the Department, Ed has received outstanding performance ratings from every United States Attorney General under whom he has served since 1981. He is well known for his ability to prepare and litigate cases. He also coordinated the Criminal Alien Program for the New Jersey District.

Ed received his BA degree from Syracuse University and graduated from Brooklyn Law School. He and his wife Susan have two daughters; Robyn, in a pre-doctorate program in Religion at Hebrew University, and Karen, studying law at George Washington University.

Ed is retiring to follow his other passions, hiking and traveling. He is a dedicated professional of who we can all be proud. I join his many friends in wishing him and his family many happy years in his retirement.

CAL BIO SUMMIT CEO SATELLITE CONFERENCE WITH MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES ON OCTOBER 26, 1999

HON. BRIAN P. BILBRAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. BILBRAY. Mr. Speaker, I insert the following for the RECORD:

RICHARD WILLIS. Good morning, I am Richard Willis, the Regional Manager of ComDis Co. Laboratory and Scientific Services. We are delighted to participate in this first ever BIOCOM Satellite CEO Conference. I think it is a compelling measure of the progress that is being made by so many dedicated people here in this business in San Diego over the past few years. ComDis Co. has a strong presence and a long presence in San Diego. The short commercial is that we offer services ranging from venture finance for early stage entities through to life cycle management services for more advanced companies in this business. We have a local representative here, Gail Obley who is presently working with many of you. Again, we are delighted to participate as a sponsor and wish you well in this activity. Thank you.

NARRATOR. Welcome to the Satellite CEO Conference with the Commerce Committee of the U.S. House of Representatives. In San Diego, on today's panel are: President and COO, Alliance Pharmaceutical Company, Ted D. Roth, President and CEO, IDUN Pharmaceuticals, Inc. Steven J. Mento, Ph.D., President and CEO, BIOCOM/San Diego, Joe Panetta, President and CEO, California Healthcare Institute, David L. Gollaher, Ph.D., Chairman, President and CEO, IDEC Pharmaceutical William H. Rastetter, Ph.D, Founder and CEO, INNERCOOL Therapies, Inc., John Dobak, M.D., and your moderator for today, Chairman and CEO, Alliance Pharmaceutical Company, Duane Roth.

DUANE ROTH. Let me start and just briefly introduce our panel members: First, Ted Roth who is President of Alliance Pharmaceutical, Bill Rastetter, who is Chairman, President and CEO of IDEC Pharmaceutical, Steven Mento who is President and CEO of IDUN Pharmaceuticals, David Gollaher who is President and CEO of the California Healthcare Institute, John Dobak who is the Founder and CEO of INNERCOOL Therapies, and Joe Panetta who is President and CEO of San Diego's BIOCOM. Let me suggest that we go into the issues, if that's OK with you, that we would like to have a discussion or a dialogue with you on. And for that we've got a moderator for each topic. Congressman, did you want to say anything?

Congressman BILBRAY. I need to inform you, before we get started, that the transcipt of this panel will be entered into the congressional record. So don't say anything that you don't want your grandchildren to read. But, seriously, we want for this dialogue to reflect the fact that these are issues that the biotech industry needs to have addressed and wants to have addressed. So you have been duly warned.

DUANE ROTH. We have been warned, and I guess that changes just about everything. However, let me turn to Ted and let him get the first issue on the table.

TED ROTH. Good morning Congressman, or afternoon I guess out there. Thank you for participating in this program. The issue that I would like to discuss briefly is the access to capital as the issue we are facing right now. As you know, San Diego has about 250 companies that are engaged in the various aspects of bioscience. We employ nearly 25,000 people. And spend over a billion dollars a year in research and development. We are the third largest concentration of biotech companies in the nation, or the world for that matter. All of these companies are similar in their issues to the roughly 1,300 other biotech companies in the United States.

Yesterday we had a panel of analysts who talked about the financing environment, both in the public and private markets. As most of us know, they talked about the difficulty in raising money with companies having valuations under approximately between 750 and a billion dollars. I think it is

interesting to know that the only company in San Diego that has a market valuation in excess of a billion dollars, in fact, it is greater than two billion, is IDEC Pharmaceuticals. So the vast majority, virtually all of the companies in San Diego are under this level that they talk about being difficult to finance. Most of these companies have less than two years of cash, and many have less than one year. We are currently working on about 75 products that are at a late stage clinical development. And as this development continues, the need for capital to make it through the clinical trials and prepare for commercialization will only make the financing issue more dramatic. Therefore, what we have is a situation where companies have products that are nearing approval that are running low on cash and are facing a dubious financing environment.

The federal government can take steps to help to create a better environment for us. Most of us remember what it was like in 1993 and 94 with the Clinton Health Care Plan where what was going on in Washington had quite a dramatic effect upon us. While we don't expect that there is anything that can be done now to have that kind of affect on the positive side, we think it is important for the legislators to understand that what you do in Washington really does matter to us.

What I want to do is put three issues on the table. The first is the R&D Tax Credit. And I guess that I would ask that you comment on what you think the chances are that it will either be extended or made permanent during this Congress.

The second issue is Capital Gains and taxation on increases in capital investment. Do you expect, or should we look for any legislative changes to the existing law.

The final area and the one which is relatively recent. We heard this morning about the New Jersey model whereby the biotech companies are able to transfer a part of their state NOLs to the larger pharmaceutical companies under certain circumstances. This is something that the California Legislature is looking at, they are studying a comparable bill. So I guess, the question I would pose is, what, if anything, can we anticipate at the federal level on an issue such as the NOL transfer?

Congressman BILBRAY. Well I think first of all, let me comment on the fact that you pointed out appropriately the problems that, while we may be talking politics in Washington, things like the comments that were made about the first lady's health care plan—the damage that does. Coming from you, it just shows that this is not a partisan issue, but that all of us in Washington have to be sensitive to the fact that there are more than just political games in Washington at stake here. We are talking about the breakthrough drugs and major investment, so I am glad that you bring that up because it brings credibility to the discussion on both sides.

The one thing we've got to watch out for, as you've seen in the last couple weeks, there is posturing of ''let's use the availability of drugs and pharmaceuticals to the public as some kind of political ping-pong ball which really hurts you guys right on the front line.'' And let's face it, on the other side of it, you've got to compete against other venture capital opportunities. It seems like recently we've seen that if something has a ''dot-com'' on the end of it, it is basically being perceived as a gold mine. I think hopefully we will see that moderate a bit and that BIOCOM will be on the line there.

Let me get right to your questions. The R&D Tax Credit is a very high priority. I think that it is a good possibility that somewhere down the line in the next few weeks that we will see a way to place that into a bill that the President will sign into law.

The capital gains issue: I think right now, as long as the economy is still strong, no, we won't see that move forward. I think that the Capital Gains, as the Chairman of the Federal Reserve has said, is something that will be used if we see a softening of the economy. It is the adrenaline we'll give the patient, that will stimulate the patient to get the economy moving again. So that will be incremental and will be based on when we need to stimulate the economy. What I think that you are going to find now is that the discussion coming out of DC will effect the latest numbers on inflation. So I see that as being sort of a negative.

Let me just tell you that this New Jersey model and what we are doing for California. That is totally wide open. I am basically open for suggestion on that. I couldn't tell you one way or the other. You would probably be able to tell me better about that aspect.

DUANE ROTH. Would you like to make another comment about Net Operating Loss? No? OK. Then let's move on. If we can we will move on to our second topic, and that is the Food and Drug Administration. You have been very much involved in the past in helping us with some issues with the FDA and the 1997 legislation. I'd like to turn to Bill Rastetter and ask him to make some comments regarding user fees and the modernization act. Maybe we can discuss that and then we have a second part that we'd like to talk about. Steve Mento will talk about that, and that deals with appropriations and the mission of the FDA. So, Bill, I'll let you go first.

BILL RASTETTER. Congressman, thanks for being with us here this morning. I would like to talk about PDUFA and FDAMA. For the audience here, that may not use those acronyms every day; PDUFA is of course the Prescription Drug User Fee Act under which those of us developing drugs pay certain fees to the Food and Drug Administration that helps with the hiring of reviewers and the review process. Of course, FDAMA is the FDA Modernization Act of 1997.

Congressman, I'd like to give you a little feedback from the sector. We think that PDUFA has really been an unqualified success; both for patients and for biotech companies. It has provided for very substantial funding and fast track reviews of products. I know that our own company, IDEC, has certainly benefitted from that with the 9 month approval that we obtained for Rituxan.

I think the metrics really speak for themselves. With PDIFA, the act was passed originally in 1992 and in that year there were 26 new drugs approved. By 1996, with 600 reviewers hired with user fees there was a record of 53 new drugs approved by the Food and Drug Administration. In fiscal '96, that was the year when those 600 reviewers were on board and I guess still being trained and getting into the swings of things, I&D to approval, of course I&D was many years earlier, I&D to approval for drugs approved in '96 was greater than 90 months. By '98, just two years later, that was down to less than 60 months from application to begin clinical trials to approval, a dramatic change.

So I think that it is essential that we continue to build on this momentum. It is something that came out of PDUFA and the awareness, that yes we really could do something that we could work with the FDA as a partner, something that came out of that with lots of congressional help and dialogue with the sector was FDAMA, through which Congress provided tools to improve and modernize the review process. I am delighted to tell you today, that I think that from our sector at least, the feedback is generally positive. Certainly we at IDEC view the FDA as a responsive and very active partner in drug development, where we are really jointly making drug development decisions on a real time basis with the FDA, rather than being second guessed after the fact, and this is absolutely critical. Important to being able to achieve this is absolutely critical to have a scientifically trained, well compensated and motivated and retained staff. I know that Steve will speak about that. I think that all the feedback is not positive. Some critics would say that the FDA is still failing to insure that the FDA is failing to ensure that all patients receive our technologies promptly and efficiently. I would refer you to the recent testimony of Pamela Bailey, who is the president of HIMA, or Health Industry Manufacturing Association to the Senate Committee on FDAMA that was as recently as the 21st of this month.

Of course, HIMA is the device trade association. I think that being in the biotech or the therapeutic side of the industry, I would have to ask if the device sides experience with the regulatory process might not be more positive today if they had put in place a PDUFA type act that would provided through user fees the increase staff at the regulatory agency. I'd welcome your comments on, either now if you wish, or after we wrap up.

I think though, that by and large, the FDA is more performance oriented these days, and have been really gratified to see the FDA reengineer itself and be proactive and responsive to the climate, and also pro-active to try to manage the increasingly complex workload with human resources. I think that the metrics at CBR which is the biologic side of the house at the FDA are very telling. In '86 there were 178 I&Ds, or IDE's, these are the new applications to take something into the clinic. So '86—178, by '95—452, by '99—587. If you look at the balance of those that were in Biotech, went from 87 out of 178. This year an expected 427 out of 587. So the balance is really shifting in the bureau of biologics over to biotech and the workload certainly up more than threefold in the last 13 years or so.

Yet, the operating allocation dollars to CBR have gone down. '96 was less than '95, '97 less than '96, '98 less than '97. '99 is slightly up, but it is still in constant dollars down over 10% from '95 in this environment of increased complexity, because of technology, more and more is biotech which takes more scientific review and the number of applications are way way up. So, certainly continued funding growth is essential if we are not going to lose this momentum and indeed we are going to continue to build on this momentum, and Steve will comment on these things.

Two very very important areas, and I don't want to preempt you. Trained scientific staff at salary at parity with peers in the industry, because if you can not achieve that you will never solve the problem of turnover at the Food and Drug Administration.

Number 2, information technology. I think this is the single most important factor that can contribute to increased efficiency in the food and drug administration. And we are moving from boxes and boxes, pounds and pounds of applications to single CDs that are hyper linked where the reviewers can go back and forth very quickly, gosh they can take the whole BLA home in their pocket if they want, and work on it over the weekend. An incredible efficiency to be gained if we can get the Food and Drug Administration up to speed in information technology and that will certainly require the hiring of trained motivated retained staff to put all of that in place.

Another point that I want to make is that it has been very popular in this country to

fund the National Institutes of Health. Indeed, our entire sector has come out of the enlightened funding of the NIH that we have had in this country for decades. But, we have to view the NIH and the FDA as bookends with all of our companies being the books in between. All of the books will topple off the shelf if we pull out that FDA bookend. We need to support the industry from both ends from basic science through the regulatory process, we have to be very very sure that we are buttressed from both ends.

In closing, I think that the agency got a very big boost with the appointment of Dr. Jane Henney. She has an exceptional record of leadership, both in academia and in government, an intimate knowledge of the food and drug administration having served as the deputy commissioner for operations from 1992 through 1994, I think that everybody views that the direction she has said would establish a more efficient, more responsive, more open and better understood agency. I think that from the perspective of our sector, I would like to suggest three very very important objectives for the commissioner to focus on.

Number one. To ensure that drug, biologics, and device approvals don't get sidetracked by new activities at the FDA such as tobacco and food. And Steve will comment on this. I think that one tool that should be implemented for that is a PDUFA type act for devices to increase reviewers at the FDA for the device sector.

Objective #2 is a strategic one. To continue to build a modern strategic vision for the FDA. Let me give you three objectives that CBR has identified for itself that I think are just superb and really speak to the scientific quality today within CBR. Three objectives, their own. Establish bio-markers and surrogate end points for clinical trials to make clinical trials more efficient and make approvals more streamlined. Number two. To restore protection to large segments of the adult population with biotech vaccines. The old vaccine technology is failing in many regards. Number three. The identification and use of gender specific factors that influence, or might influence drug and biologic safety and efficacy. That is the kind of strategic leadership, objective number two, the agency needs.

Number Three. A tactical counterpart to that. Building on PDUFA and FDAMA ensuring that through an inside focus on operations, efficiency and performance that the FDA continues to streamline, continues to improve its partnership with our sector. I would suggest, as Congressman, you and I have discussed on occasion, that we move toward a full time Chief Operating Officer. A partner in tactical matters with the Commissioner, to be accountable for performance for day-to-day operations for information technology systems, for hiring, training and retention of staff and that person established as a full-time person at the agency would very much complement the Commissioner who should be providing the strategic leadership.

I appreciate you being with us this morning, and I'm sorry that rambled for so long there.

Congressman BILBRAY. Well, actually there was a benefit to that, and I'll get to it in a moment. But frankly, BIOCOM was really on the cutting edge of this. Actually, I think some of you will remember—even before I was sworn in, you had me in your office and talked about how FDA reform was essential and that the institutional mind set needed to change. I am glad to know that as a result of our efforts, there has been positive movement and an evolution towards being more pro-active and cooperative on the part of the FDA. The fact is, there needs to be more. Even Henry Waxman, with whom I have often disagreed with regarding the status quo with the FDA will say that, when it comes to Biotech. The FDA regs at that time were totally inappropriate and they needed to be reformed and attitudes needed to be reformed. And frankly, somebody who has been a real leader in this and really helped us out on the Commerce Committee happens to be Richard Burr, from North Carolina.

Richard was really involved with the modernization program, he was really there. He serves not only on the Health and Environment Subcommittee, but he also serves with me on the Oversight Subcommittee, which oversees the FDA. You guys really pushed me to get on this committee because of how important this was for San Diego and it has been great working with Richard, who is somebody who has really been on the cutting edge of this, and is somebody that we can depend on to keep pushing. Like it or not, we have to admit that California does not have all the biotech industry in the world, and that North Carolina does other things besides grow something to smoke.

Let me just sort of throw it over to . . . ladies and gentlemen, I'd really like to introduce my colleague and probably one of the shining stars of not just the Commerce Committee, but of the entire Congress, and that is my classmate, Richard Burr from the great state of North Carolina. Richard.

Congressman BURR: Thanks Brian, and my apologies for my tardiness. If California is as crazy as Washington is today, you can understand the schedule that we have had as we try to wrap up this appropriations process.

I think it was appropriate that I wasn't here to make any comments. The advantageous thing for me is to hear the questions that are raised. More importantly, to hear the experiences with post-FDAMA. I think that we continually try to update ourselves on whether the modernization act is in fact executed the same way that we intended. There is no better way than to look at the amount of applications that have been filed. To look at the increase in those that have been approved. But that is not enough. Brian and I realize that, and our colleagues realize that we need to be vigilant in our watching.

I am not sure of the makeup of our panel, but I also give high marks to the FDA so far on their ability to transition. The Janet Woodcox's of the world, and certainly to the new commissioner. I think that they have made tremendous progress. I think that we still have cultural change yet to determine whether we have started. I am committed to stay involved in it until that the cultural change is evident to all of us. One of the things that we've got to watch out for I think, and when I say ''we,'' I mean members of Congress, as we address health care policy, you will hear more and more the question of pharmaceuticals and biologics come up in the discussion. We've got to make sure that the capital continues to flow to the biotechnology industry. We've got to make sure that our health care policies, as well as our approval agencies, are such that it makes Wall Street comfortable with the industry and with the investment that individuals make. It is because of that investment and the risks that each one of you take that we will experience products in the future that address both chronic and terminal illness that today we have no treatment for. We are here in hopes to listen and also to work hard to make sure that this act is carried out in a way to produce the product that it was intended to.

Congressman BILBRAY: I think you are coming from a position of strength to BIOCOM. With all the partisan bickering you see in Washington, at least on television, for you to come forward and for us to be able to say that there has been a major improvement of the situation. That the FDA has made these great leaps forward gives us more credibility when we start pointing out the shortfalls that still need to be taken care of. I think that is something that we don't do enough of in Washington. In other words, pat them on the back when they have done well, so then when you point out the shortfall, you have more credibility. That it isn't just partisan sniping. I think that is something we have been able to do on the Commerce Committee because we have acknowledged that. It is good that you guys do that. Now let's hear what we should do to improve the system more.

Believe me, when we talk about this sniping against the industry, it really worries me when I start seeing people looking to use this in the next election. I was just talking to my daughter and making the comment that I'd rather forgo the political advantage and be able to be assured that my daughters don't have to face off with the scourge of breast cancer in the next 20–30 years because we did the right thing now so that we can get these breakthroughs out on the market.

But let's hear what we can do to get it done from you guys.

DUANE ROTH. Thank you very much and thank you Congressman Burr for joining our conference.

I think what we can summarize the last discussion about is that we have done that right, and that it is moving in the right direction. But there are still issues that remain with the FDA and one of them is that it's really not uniform. There are some divisions that are performing very well, and there are others that are still lagging very far behind, and that has a lot of do with people. I am going to ask Steve to discuss appropriations in a minute, but people, and Bill made a very important point, information technology. There is no reason we should be sending truck loads of books to the FDA for review when we can send it on a CD that they can have in a matter of minutes and it is so much more efficient. I just sent a drug application last week, and the boxes and boxes and boxes of paper that went are really telling about what the FDA is still dealing with.

Congressman BILBRAY. Before we leave this, and Richard you may want to jump in on this, we've actually had an initiative called the Paperwork Reduction Act. We may want to go back and take a look at that as Members of Congress, saying how can we take the intention of that legislation and apply it to this specific issue. Rather than having to reinvent the wheel. Say, ''Look administration, we have this act that is already initiating these programs to avoid paperwork, and here you've got the industry that is ready to work with you to implement that act,'' and maybe we can plug it into this issue.

Congressman BURR. I'd also like to tell you that this is part of the cultural change that we hope to see that we haven't seen. Clearly that alarms me that we have an agency that evaluates and approves these methods that are so far technologically advanced that might not accept something on a CD-ROM has to be something cultural.

Congressman BILBRAY. My attitude is just why don't we just package it and call it the Tree Preservation Act and start going to this new high-tech.

DUANE ROTH. We could have saved a tree. Steve, why don't we turn it over to you.

STEVE MENTO. I also want to add my thanks to the other panel members and thank you Congressmen for taking the time out of your very busy schedule to listen to some of the issues that we want to present here.

I want to build my comments on both Ted and Bill's. IDUN Pharmaceuticals is one of those small companies that Ted described. We won't be filing our first I&D with the FDA until early next year. And again, I want to stress the importance that time is our enemy, so it is critical that FDA appropriations that Bill talked about are adequate, remain adequate, or are even increased, such that the gains that we have made in the last three or four years are even exceeded in the future.

It is critical to a small company with limited financing that when we submit an application, that application is rapidly reviewed, and it moves forward at an appropriate pace. As Bill said, it is key for the FDA to have sufficient personnel of the highest quality to ensure that the product review process starts and continues to move forward on a timely pace.

Critical to understand, very simple, in order to regulate a scientific industry, and biotechnology is clearly a scientific industry, we need strong scientific regulators. I will draw from a past experience I had earlier in my career when I was involved in the early days of gene therapy.

When we first started talking to the FDA about Gene Therapy, it was an industry that didn't exist. I want to commend the FDA response to our early discussions. They basically put a new group together, the Cell and Gene Therapy group, and they staffed that group with very strong scientists. I think that just looking at the safety record in that gene therapy industry over the past five or six years is not in small part due to the fact that there was strong science at both ends, both ends of the table. And even with the recent set-back in gene therapy where there was a death—the first death in a clinical trial, I think the appropriate and rapid response on both sides of the table have enabled the trials to move forward. It is very important to have strong science on both ends, and have the funding to make sure that this is possible.

And as Bill said, we are particularly concerned in our industry about so called mission creep. With funding being what it is, how will the FDA be able to respond to new initiatives that will be placed on them, new requirements with genetically modified foods, or even tobacco, with the increasing number of applications that are coming from our industry, and keep pace with the review process.

So I guess the one question I would have is, how will Congress ensure that FDA staffing, and resources are adequate to meet the ever-growing regulatory needs of the biotech industry?

Congressman BILBRAY. Well, I think, and Richard jump in, right now we are just trying to maintain appropriate oversight. Those of us on the Oversight Subcommittee are watching how these resources being allocated to the administration are being spent. We're actually able to have a substantial maintenance of our effort, and improvement of our effort even with the limits of the balanced budget, while not spending social security.

I don't see any real critical issue, in which we are going to have to reduce what is available. In fact, with you guys taking such a strong pro-active stance on user fees, which is something that Republicans often get real paranoid about, really helps us to keep this constant effort going because the industry has said that we don't mind participating in the cost as long as we get the services that we need to get these things moving along.

Richard, do you have a comment about what we need to do?

Congressman BURR. Yeah, good luck with your first application. If any agency came to me and told me that they didn't have enough money, I would be shocked. I have yet to meet one in Washington. I think that is inherent to this town. We have a very difficult job. I think that we try to work as closely as we can with the people who are on the side of the issue that where you are, and that is the applicants. Is the process working better?

Then we try to compare and look at the changes that have been made at FDA. We are all concerned with jurisdiction creep as to the issues that the FDA is involved' in. That is purely an oversight role on our part and we are going to continue to be vigilant on it. We think that when you look at the number of employees at the FDA, there has to be some change. The reduction probably frees up the slots for the talented people that all of you have expressed that they need in the process. I think that they also need to culturally address some things, such as the removal of secondary indications, where we can take that process out and possibly put that into the teaching hospitals around the country. We did part of that in FDAMA. Clearly I don't think that the FDA has moved far enough in that method. But we want to free people up so that the talented people can work on those applications that are the various breakthroughs that can happen.

We are not at a point yet that we feel that they are tied because of budget restraints, when we continue to see fifty investigators who sole job every day is to chase the tobacco industry. So we go through a little bit of a different method as to how we encourage agencies to staff up in the right places, and sometimes it takes a little longer.

Congressman BILBRAY. I think that we shouldn't move beyond this issue of what's called genetically altered food and stuff. Anybody in the BIOCOM group should not consider this to be somebody else's problem. This prejudice and this practical witch hunt against anything genetically altered is just really something that we have to confront, and we have to confront it head on.

Just because the debate is focused on foods right now, doesn't mean those of us working on medicine can allow the wolves to go after them. We need to stick together, because not only is genetic research not a threat to society, it is probably the greatest shining example of a bright future for a whole cadre of issues, from beating cancer to feeding the hungry in the world. We have to unite all of us who are well informed and understand this issue, and confront those who are the scare mongers, who will try to intimidate people with fear on this issue.

On the clinical trials issue, let me just point out a side note that the healthcare issues that were brought up last week. Every one of those managed care proposals had a clinical trials provision added to it, because Washington is finally waking up to the fact that we need to be pro-active on this issue.

DUANE ROTH. Let me move to a less controversial issue. Medicare prescription drug benefit. I am going to call on David Gollagher.

DAVID GOLLAGHER. Congressman Burr and Congressman Bilbray, we appreciate your time, you've been with us on so many issues. Both of you certainly heard, or heard right after the president's remarks yesterday about the drug industry, calling on Health and Human services to initiate a 90 day study of comparative drug prices between the United States, Mexico and Canada. The President has also rolled out his plan for providing prescription drugs for people who are uncovered in the medicare program. There are around 39 million people covered in the medicare program and around 13 million don't have any prescription drug coverage. Our industry has been very concerned that the attacks on the pharmaceutical industry will have repercussions for raising capital and for the health of the Biotechnology and the drug discovery industry so the politicalization of this issue is bad for everyone, I guess that our great concern is that looking ahead to a very contentious election in the year 2000, how can we play a constructive role in to find an approach to the prescription drug coverage for the medicare population that is bipartisan and will work? A lot of us in the past have thought that some type of premium support would provide coverage for the elderly poor would be a good way to go but we can look back as well to catastrophic coverage when the great panthers revolted and seniors refused to pay anything for additional coverage. It seems to us that this issue is very easy for the president and others to politicize by talking about new benefits that people should have and that basic support for these benefits should come out of the companies. So I guess we would like to hear some perspective on the best approach our industry can take to take some of the air out of the political balloon and help for a more bipartisan approach to what is basically a partisan issue.

CONGRESSMAN BILBRAY. Well, that's a really tough one, because we've seen people in Washington use you guys as a punching bag. It's easy to take a cheap shot, you never get thirty minutes to respond to the Administration's attacks, it's a freebie politically. We've seen the damage it can do in the early minutes, frankly, I'm concerned about the damage it's going to do now. I think that we also need to highlight this issue about how long it takes to get the product on the market, about how few percentages are able to go from R&D to the market. The things that the administration needs to do to make pharmaceuticals more cost effective is basically to stop being obstructionists. But the other issue is the tort limitation. Being on the Mexico boarded they always say ''in Mexico, we can get it for this, this, and this'' well, also you can get dental care and medical care down there, but you also have a totally different type of tort system. I wish I had the answer for how we counter this, because right now I just see it as a freebie for anyone who wants to take a political cheap shot at you and I think that we really have to take a look at how to preempt it but I don't have that answer. Maybe Richard does, he's used to his industry taking all the shots and maybe he's got some good pro-active counter offensives ready to go, Richard.

CONGRESSMAN BURR. Should you be worried? Yes. I gave a speech earlier this morning and I said had I known that the modernization act would be so successful that we would move from an average of the low teens of the applications being approved in a year to fifty or sixty or potentially seventy in future years and that the market place would have so many new drugs that were still under the recover of their R&D that it's contributed greatly to the increased cost of pharmaceuticals when we look at the entire population and especially seniors. The other thing that has come into play is that technology is a two way street and many seniors and many consumers sit at home and research their illness, they are quick to go into their physicians office. They may have been on Zantac and it treated their stomach well, today they want prylosec, and a physician is almost required to fill out that prescription, and then we move from a $10 over the counter solution to a $110 prescription solution. So the problem has ammunition and I've learned that anytime there is a box of ammunition, Henry and our good friends on the other side will continue to use it. I will tell you that most members and most people

across the country believe that there ought to be a drug benefit with medicare. The question is are we going to try to incorporate something into the existing model or are we going to do something that is politically tough but policy right and that's to create a private sector plan to compete against medicare? As I shared with people, we never complained about the post office until fed ex was created. When it gave us something to compare it to we began to ask ourselves questions about when it needs to be there, how confident do I need to be that it gets there and how much does it cost? And when you do that, if we were to create a private sector model whether it's premium support in total or another byproduct of those talks I think we get a fair comparison that seniors and the consumers can compare medicare to. What do you do? I hope that we in Congress, especially as republicans will put out some time of blueprint before we leave. Even if it's a very sketchy one on what we'd like to accomplish and how we'd like to do it on medicare restructuring and the incorporation of drug options as we come back next year. If not then the President will frame what we do and the box that we are in the State of the Union address. How can the industry help us and help themselves? It's to put the image of who you are and what you do in front of the American people. It's to take the scientists out of the lab and put them into the lecture room or the town meeting or the television. Talking about the breakthroughs that they worked on and the real lives that the breakthrough affects. The American people are willing to pay as long as they know what they're going to get and I think this is one area where the people would be willing to chip in to continue the level of research and development. If we allow the President to frame the debate and the others to set the rules, I can assure you that the number one thing I look at, which is capital, will find another industry that is more attractive in from the standpoint of their overall return and we will have a tough time in the biotechnology area.

Congressman BILBRAY. I think that you need to really focus this and be ready to do your own campaign based on things like Biotech. It's not about money, it's about lives. If you compare how much the average American family spends on a car as opposed to pharmaceuticals or breakthrough drugs it's not even comparable because you've got it packaged a certain way.

The republican proposal I'm seeing coming down, and I think that both the Senate and the House is moving, is the issue of having the needy seniors helped with this cost and really focus on them as opposed to the position that all seniors, even if they're millionaires, should be able to be subsidized by the federal government.

Congressman BURR. And I want to caution the entire group, don't fall prey to anything other than the administrations intent and the Democrats on the Commerce Committee, most of them, that the first step is to institute price control. And those price controls, whether they're instituted at the state level or whether they're instituted by the federal government, then they have the hoops to redesign the system however they want it. and clearly those price controls, being the first, thing have a great impact on where the capital goes in the future.

Congressman BILBRAY. The would initiate these prices controls and you would watch, in an industry that already has investment concerns and problems, then when it starts hurting more, it justifies Washington sticking it's nose in further. So you've got to watch these things because a lot of these crisis situations are created in Washington and not necessarily without the intention that Washington would have to step in and get involved. I know that sounds like some kind of conspiracy issue, but I think that those of you who have worked in the industry and have seen the reaction of what Washington can do would agree that this is not a Democrat or Republican issue; it's just common sense that we ought to be allies not enemies.

DUANE ROTH. We certainly will stay engaged in this issue, it's absolutely crucial to our industry and we really hate to see the way things turned yesterday. That was not helpful and puts us in a very defensive position again. We're certainly going to work on this issue and stay in touch with our constituents. Our constituents are patients. When any one tries to drive a wedge between the industry and the patients who need these products, everyone loses. I think that's what we need to be working on

Congressman BILBRAY. I think you have to point out that you've got elected officials who were on the defensive this week about Social Security. And the best defense, in a lot of their attitudes, was to go on the attack. And so, they had a position that wasn't very defensible on Social Security and so they came up with a proposal and used you guys as a punching bag and as some way to justify their agenda. They had to create an enemy and they were using you, and frankly I'm sorry to see it happen too but please understand that you should be complemented that they were on the defensive so they were going after you to take the heat off of them which is a sad fact about this.

DUANE ROTH. I'd like to move to a related issue and this is one that is very key for our industry and that's getting reimbursed once we finally get through the better behaving FDA, how do we get paid for our products and this is another major medicare issue. So I'm going to turn to John Dobak who's going to introduce the subject and get your comments.

JOHN DOBAK. Thank you and thank you folks for taking the time. I represent the medical device community. We often get lumped with Biotechnology but there are some differences between our industries as it relates to a certain issue, and I think it's important to realize that there is a difference between medical device and Biotechnology. This particular issue I think pertains to both industries. I'm going to focus on the Medical device side of these issues however. First, I'd like to note that HIMA has a seven point plan that deals with reimbursement reform and it's a very complex issue and I would encourage some review of that plan because it addresses many of the dilemmas faced by medical device companies. I'd also like to recognize that some of these issues and the solutions proposed by HIMA are addressed in a bill proposed by Orin Hatch and Jim Ramstead. The most important piece that's partly covered in this legislation is that it is trying to establish a more efficient and rapid reimbursement process for medical device companies and other life science companies after they obtain FDA approval. FDA approval is really the pinnacle of any life sciences company or medical device company, it really represents the establishment of the clinical benefit and safety of a product and one would think that with that FDA approval we would see a dissemination of the technology the profitability of the company and additional innovation of that particular company. Unfortunately, because of problems with the medicare reimbursement in particular, the technology is not utilized often times many years after the product was initially approved. I think a case in point is cardiac stints. Cardiac stints are these tubular, cage-like structures that are used to prop open the arteries. These were approved in 1994, however reimbursement was not established until 1997. At the time that the product was approved only about 15% of patients had access to this lifesaving technology. Once appropriate reimbursement was established, the use of the procedure exploded to some 85% or 90% now of interventional cardiology incorporate stinting. My concern is that I think a similar situation is going to evolve with stroke. Stroke afflicts about 700,000 patients each year in this country and that it costs the healthcare system in excess of 30 billion dollars. It's a devastating problem, it leaves people paralyzed, unable to speak and comprehend speech and even blind. Currently there's a bevy of medical device companies that are developing therapies to treat strokes. Currently there's a bevy of medical device companies that are developing therapies to treat strokes. Unfortunately the current reimbursement is only $3000–$4000 and the average length of stay in a hospital for a stroke victim is 5 days, that $3000–$4000 will not cover that hospital stay let alone new technologies that are going to prevent the devastating consequences that come from a stroke. I think this brings up a very important point about the fundamental structure of medical reimbursement and that's that medicare focuses on short term cost controls in favor of long term cost saving. I think that technology will never prove to itself to be cost efficient when the reimbursement structure focuses on this short term cost control. I would just be interested to know if there's going to be support for this bill presented by Senator Hatch and Congressman Ramstead and hear your comments about your position.

Congressman BURR. Well, I'll go first. I'm not sure about the specifics in Senator Hatch or Congressman Ramstad's bill, but it gets to the heart of what private insurance companies refer to as experimental. Those drugs or devices that have been approved by the FDA but for, some unknown definition, still have not been approved for reimbursement whether it's medicare or the private sector. I attempted, in the patients bill of rights legislation, and all the substitutes, to make sure that we had a new definition for experimental which stopped when the FDA approved it. It could no longer be experimental. It meant that medicare and companies had to specify anything that was not covered but was not under the umbrella of experimental. I don't think there's any question that the intermediaries dragged their feet sometimes companies are pushed from one entity to another, who are trying to get a new DRG code or whether they're going to be lumped in an unexisting one and in many cases the reimbursement does not represent the technological advances that have been made. I think it's clear that we're on a generation of heart stint that some of the countries of the world would look at and laugh at based on where they have progressed to. That's part of the approval process. When I look at the reimbursements I clearly don't think that it considers the technological changes that have gone into product advancements, especially in devices, and the reimbursements reflect that. I think it cries for overall medicare reform, not just in the drug model but a true competitive model. One last point, it's one that you touched on which I would call disease management. I remember when we sold for the first time the concept of medicare coverage for diabetes screening for seniors. It took 2½ years to convince some of our colleagues that it was cheaper long term to pay for this monitoring up front because it was cheaper than amputation and blindness. They now believe that and they believe it about mamograms and they believe it about PSAs. We need to start the cultural change and make people understand that

there are drugs and devices that also save money long term with a cost up front. That, again, is a cultural problem that we're going to have with this agency.

Congressman BILBRAY. It's a problem, not just with this agency, but with the entire federal system, judging what is a priority and what is a benefit. A decade ago we were bashing the private sector for looking to the next quarter. Remember we were talking about the Asians looking at the long range. The fact is, we've seen a major reform in the private sector. When Richard and I came here to Washington we were looking at this issue that the whole mentality of what we judge as a benefit or a cost is so antiquated; and it still is. You have the OMB scoring, and you have the Congressional Budget Office scoring, that is really sort of like what's here and now. A good example is, the drugs that are being used for trying to reduce the effects of strokes. I just lost a father to a stroke, so I understand. He was two years in a wheel chair—could not speak—needed to have constant service. But, the drug that may help to avoid long term damage isn't really considered a major savings because you still spend up 3 to 5 days in the hospital. So they just sort of go right over that. I think that we need to try to raise the sophistication of what we project as expenditures or savings. That could go beyond the here and now and the short term. And this town doesn't do that very well. A good example, was the question about capital gains taxes, and reducing them. In this town the projection was that it was going to be a net negative to the treasury. Well everybody knows that since we've done that there's been a huge plus up and it's been one of the biggest reasons why we have a surplus. But the town does not know to change it's institutional structures and it's institutional background to reflect reality. And I guess from a science background we would say the model here in Washington is being used to judge your industry and to judge service and cost benefit ratios. The model is a one dimensional obsolete model that we have to replace with a whole new modeling system. And maybe we can get these guys who are working on global climate change to work out a model that will be able to sell to the congress so they will have something that reflects reality better than what we have now. This thing runs deeper than just HCFA, it's the entire structure that we are trying to change.

Congressman BURR. Brian if I could, I've been asked to come back up to the Hill, and I do want to allow if there is one additional question that may or may not be on the agenda that somebody has of me before I leave, I wanted to give you an opportunity to ask it.

DUANE ROTH. Let me quickly, since you're from North Carolina, and there are some farmers there I think. Genetically modified organisms, and Brian touched on it earlier but this is an area that we do understand has a potential to creep over into the health care as well as the agriculture scare that is going on now. And I'm going to call on Joe to sort of introduce us to that mess.

JOE PANETTA. Congressman Bilbray congressman Burr, thank you very much for joining us, and on behalf of all the members of BIOCOM, I would like to thank you as well. Congressman Bilbray, over the years we know that you have been interested and involved in our issues and we've welcomed that participation on your behalf and we really look forward to working with you in the future. We haven't talked much, through BIOCOM, about the issue of genetically food, although you and I have talked about it on occasion. And it's an issue that certainly become much more in the forefront in recent weeks and months with some of the concerns been raised in Europe over the acceptability of genetically engineered foods. And it's an issue that has a direct impact on our farmers across the country here in San Diego certainly congressman Burr in North Carolina and with a lot of the research that's been going on in San Diego and North Carolina through companies that are involved in this area has a direct impact on us as well. But the two issues that I really want to touch on here are in direct relevance to you in the Commerce Committee, and those have to do with the acceptance of exports of our crops and the impact that that could potentially have on our ability to adopt this technology through our farming systems in the U.S. and also for the potential for there to be a backlash here in the United States as a result of some of the controversy that's been raised in Europe. You both know, I'm sure, that farmers have increased difficulty in adopting this technology due to the fact they've had concerns about acceptance of products in Europe and Japan. The regulations that have been implemented particularly in Europe on GM3 imports in the United States have really deterred farmers in large part from adopting this technology due to their concern. It's causing a huge headache for our farmers here in the U.S. it's raising concern with our large agricultural research companies relative to their investments in this technology in the future. And if we look at the loss in trade just last year in this area as a result of some of these negative regulations that have been implemented we're looking at $200,000,000 in crops that had to sold elsewhere as a result of European negativity on this issue. The fear that's been aroused through the activities of the activists groups in Europe could potentially end up flowing onto shore here in the U.S. and we think that what's really exacerbating these issues are the very regulations that are being created in Europe that are presumably there to deal with the issues themselves. In fact, what we are seeing instead is the reverse and the public's concerns are being raised even more. What that's causing us to see in the U.S. is that the technology is being slowed down and in fact, farmers are having to hang on to older technics as a result. I'll be brief, because Congressman Burr I know you have to get back up to the Hill. But, the concern here has more to do with the fact that we need your support in terms of any regulations that might be considered that goes beyond the already very stringent system that we have in the U.S. And the need to implement science based systems outside the U.S. as something that needs to be focused on more than the need to focus on a system that is very adequate. I think Bill Rastetter and Steve Mento both touched on the concern about the resources that we have at FDA and the need to focus these resources on the approval of some of the new pharmaceutical and device products that are in the system. The need is not there to focus those resources on a process at the FDA that is already adequate. As far as labeling goes, that's another issue that's been discussed very much recently with regard to public concern. I think from our standpoint we felt for a long time that the labeling system that the FDA adopted years ago is an adequate system to deal with any food regardless of the technology through which it's produced. And this is simply one more way of producing food, but the processes that are in place there are adequate. So, in summary we'd ask you to continue to support the efforts through FDA, USDA, and EPA to regulate these products and in terms of exports, to show strong support for our opportunity to show better crops to improve yields and to be able to export these products throughout the world to the benefit of our farmers here in the U.S. Thanks very much for your time.

Congressman BURR. Well, I appreciate the question. Yes we do have farmers in North Carolina, most of them are still under water, unfortunately. But we will bounce back and I'm hopeful that we will at least pay attention to what's happened in Europe. I've been there twice in the last twelve months. This has been one of the topics of discussion every time I've been there. Clearly this is not a trade policy breakdown, it's an attempt to continue subsidies that we tried to negotiate out. And when they finally hit on the food safety it took hold with consumers all across the EU. The concern is, and should be, what happens when that same type of campaign comes across the ocean and starts in this country and we've begun to see this already with the attempt on baby foods, where most companies have pulled many GMO products out of it. I think we've got to be very conscious of the good science that's needed. And I would hope that we would spend our time with the EU now trying to set the standards for good science and backdoor into standards that would allow us to have those markets for export purposes. I'm sure the French would be alarmed to find out today that they currently use genetically modified grapes in the majority if not all of there wine. I'm sure that they would argue that rubbing it on as opposed to injecting it in is two different things, but reality is reality. I think that this is an area of great concern not only to those of us on Commerce. I know that Senator Pat Roberts has spent a tremendous amount of time on it, and is concerned that if we are not vigilant, and if we don't watch this, that we will no longer be able to produce the world's food here in this country because of what can happen. As the member of Congress that has the Novartis agricultural headquarters for this country, it is alarming for me, and I know the impact potentially not only on North Carolina's farmers, but our ability to be the world's supplier.

Congressman BILBRAY. I think that we and everybody, there are those in the medical field that say this is an ag problem just as much as it was those to make sure you didn't go after genetic research. Remember that scare tactic, it may be good politics, but it was bad science. Just like Richard and I worked with a guy name Ganske about this issue of radiating meat, which is the safest thing you can do to stop the disease carrying potential of beef. I think we need to put together a coalition and I want to tell you this, I was on the Floor today talking to my corn growers in the Midwest. I need you to give me that information because we need to get Archer Daniels Midland and the rest of the big corners who are fighting us on other issues, that they ought to be working with us on this issue. I think that there is a flip side here too. The environmental community, rather then being your enemy should be your biggest ally, except that they don't have the facts. We're talking about the ability to use genetic research as a way of reducing the use of herbicide eliminating or reducing the substantial use of insecticide that are polluting the environment. I think that we need to talk about this. And we need to confront Europe and say, ''You want to play this game?'' We can look at the herbicide or the insecticides that you are using and say that we don't want any of your products that you are using those in. If they want to play this tough game, I think we need to get the facts out there. And I think that the pro-active approach—I propose that what we ought to be talking about up in the Northwest right now and what the administration should be pushing for is not what is genetically altered, but an international interpretation of what is organic. If you want to eat

food that was grown and processed exactly the way your great great grandfather did, 150 years ago, then I think we can find a common purpose. But the talk about genetically altered is such a ruse because the one thing that we talk about is domesticated plants. If we didn't have, quote unquote, altered plants, our corn would be about three inches long the way the Anasazi a thousand years grew their corn. And I think that we need to get this out. So the environmental community has to be confronted with the fact that rather then attacking and fearing the genetic alterations we should be moving towards it to stop all the spin off pollution that we've seen for decades. I think that we got a big question here, but we all need to pull together. I ask the medical people to take a look at the ag people because we need the ag people to help us with the medical side and with the device side. We are all in this together. We're the people with the facts. We have to stand up for them; even in the short run, politically, it doesn't seem expedient. Outside of that, I really don't have an opinion about this whole issue.

DUANE ROTH. We will certainly give you the information and keep working on this issue it's a very important one. Let met give you a chance to sign off here, I know that you have to get back to more important business. But, from our side thank you very much for taking the time, both of you, to spend with us today.

Congressman BILBRAY. Well, thank you very much for how proactive that you guys have always been. And one thing that is great about the BIOCOM people and your entire group is that rather then sit back and then complain that things didn't work out, you've been very pro-active. I think that one of the best things that we've done is to see the kinds of things that you put into it. I couldn't help but think about the device issue and our tort reform device that was named after your nephew. It's something that I think has been one of our great successes. Thanks a lot, and continue the work. One thing that I really like about it is that you can look at this panel and you can see that they go across the political spectrum, but they stick together on one issue. The well being of Americans is something that we all have to cooperate on and find answers for, rather then always pointing fingers and finding problems. So thanks again for taking the time. This was a very, very great way to be able to communicate. And hopefully Richard and I can go back and to carry your message and not just to the Commerce Committee, but to the House of Representatives. Thank you very much for the time.

DUANE ROTH. Thank you. And let me just conclude by thanking my panel members for taking time to help with this. Thank you very much.

PRESCRIPTION DRUG PRICING IN THE 20TH CONGRESSIONAL DISTRICT OF TEXAS: AN INTERNATIONAL PRICE COMPARISON

HON. CHARLES A. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. GONZALEZ. Mr. Speaker, I insert the following for the RECORD:

EXECUTIVE SUMMARY

This report, which was prepared at the request of Rep. Charles A. Gonzalez, compares prescription drug prices in Texas's 20th Congressional District with drug prices in Canada and Mexico. The report finds that senior citizens and other consumers in Rep. Gonzalez's district who lack insurance coverage for prescription drugs must pay far more for prescription drugs than consumers in Canada and Mexico. These price differentials are a form of price discrimination. In effect, the drug manufacturers are discriminating against senior citizens in Rep. Gonzalez's district by denying them access to prescription drugs at the low prices available to consumers in Canada and Mexico.

This study investigates the pricing of the five brand name prescription drugs with the highest dollar sales to the elderly in the United States. The study compares the prices that senior citizens who buy their own prescription drugs must pay for these drugs in Rep. Gonzalez's district with the prices that consumers who buy their own drugs must pay for the same drugs in Canada or Mexico. The study finds that the average prices that senior citizens in Rep. Gonzalez's district must pay are 100% higher than the prices that Canadian consumers pay and 99% higher than the prices that Mexican consumers pay (Table 1).

TABLE 1.—SENIORS IN REP. GONZALEZ'S DISTRICT PAY SIGNIFICANTLY HIGHER PRICES FOR PRESCRIPTION DRUGS THAN CONSUMERS IN CANADA OR MEXICO

Prescription drug and dosage form	Canadian price	Mexican price	20th District price	Canada-20th District price differential		Mexico-20th District price differential	
				Percent	Dollar	Percent	Dollar
Zocor: 5 mg, 60 tab	$46.17	$67.65	$113.94	147	$67.77	68	$46.29
Prilosec: 20 mg, 30 cap	55.10	32.10	129.49	135	74.39	303	97.39
Procardia XL: 30 mg, 100 tab	74.25	76.60	142.17	91	67.92	86	65.57
Zoloft: 50 mg, 100 tab	129.05	219.35	238.69	85	109.64	9	19.34
Norvasc: 5 mg, 90 tab	89.91	99.32	127.77	42	37.86	29	28.45
Average differential				100		99	

These price differences can have substantial impacts on the cost of a prescription. Prilosec, and ulcer medication manufactured by Merck, was the top prescription drug in dollar sales in the United States in 1998. An uninsured senior citizen in Rep. Gonzalez's district must pay over $70 more than a consumer in Canada and nearly $100 more than a consumer in Mexico for a one month supply of this drug. The total difference between the price a senior in Rep. Gonzalez's district would pay for a year's supply of Prilosec compared to a similar consumer in Mexico is over $1,000. The difference between the price a senior in Rep. Gonzalez's district would pay for a year's supply of Prilosec compared to a similar consumer in Canada is nearly $900.

In the case of two additional drugs considered in the study, Synthroid and Micronase, senior citizens in Rep. Gonzalez's district were forced to pay more than two times, and in one case over five times, the prices charged to Canadian or Mexican consumers.

This is the second congressional report on drug price discrimination requested by Rep. Gonzalez. the first report showed that senior citizens in Texas's 20th Congressional District are forced to pay over twice as much for their prescription drugs as the drug companies' favored domestic customers, such as HMOs and the federal government. This report shows that senior citizens in Rep. Gonzalez's district are also forced to pay twice as much for their prescription drugs than are consumers in other countries. Taken together, the two studies indicate that drug manufacturers engage in a consistent pattern of price discrimination, resulting in prices for senior citizens and other consumers who buy their own drugs that far exceed those paid by other purchasers in the United States and other countries.

I. INTRODUCTION

In the United States, drug manufacturers are allowed to discriminate in drug pricing. As the Congressional Budget Office reported in a 1998 study, ''[d]ifferent buyers pay different prices for brand-name prescription drugs. . . . In today's market for outpatient prescription drugs, purchasers that have no insurance coverage for drugs, pay the highest prices for brand name drugs.'' In 1999, the Federal Trade Commission reached the same conclusion, reporting that drug manufacturers use a ''two tiered pricing structure'' under which they ''charge higher prices to the uninsured.''

This discriminatory pricing imposes severe hardships on senior citizens. As documented in the previous report released by Rep. Gonzalez, senior citizens often have the greatest need for prescription drugs, but the least ability to pay for them. The elderly in the United States, who make up 12% of the population, use one-third of all prescription drugs, with the average senior using 18.5 prescriptions annually. They also frequently have inadequate insurance coverage or no insurance coverage at all to pay for these drugs. Approximately 75% of Medicare beneficiaries lack dependable, private-sector prescription drug coverage, and 35%—over 13 million seniors—do not have any insurance coverage for prescription drugs. As a result, many seniors cannot afford the high costs of prescription drugs. One study estimated that more than one in eight seniors were forced to choose between buying food or paying for prescription drugs.

In part to protect their citizens from these hardships, the governments of Canada and Mexico do not allow drug manufacturers to engage in price discrimination. In Canada, approximately 35% of prescription drugs are paid for by the government for beneficiaries of government health care programs. In Mexico, 30% of prescription drugs are paid for by the government under similar circumstances. The rest of the population in these two countries must either buy their own drugs or obtain prescription drug insurance coverage. To prevent drug companies from charging individual consumers excessive prices, both the Canadian and Mexican governments regulate prices for patented prescription drugs. Drug manufacturers do not have to sell their products in Canada or Mexico, but if they do, they cannot sell their drugs at prices above the maximum prices established by the government.

This report is the first effort to compare prices that senior citizens in Texas's 20th Congressional District must pay for prescription drugs with the prices at which the same drugs are available in Canada and Mexico. It finds that senior citizens in Rep. Gonzalez's district who lack prescription drug benefits must pay far more for prescription drugs than consumers in Canada and Mexico. The drug companies thus appear to engage in two distinct forms of price discrimination: (1) as documented by Rep. Gonzalez's first report, the drug companies are forcing senior citizens in Rep. Gonzalez's district to pay more for prescription drugs than more favored U.S. customers, and (2) as documented in this report, the drug companies are forcing senior citizens in Rep. Gonzalez's district to pay more for prescription drugs than consumers in more favored countries.

II. METHODOLOGY

A. Selection of Drugs for this Survey

This survey is based primarily on a selection of the five patented, nongeneric drugs with the highest annual sales to Older Americans in 1997. The list was obtained from the Pennsylvania Pharmaceutical Assistance Contract for the Elderly (PACE). The PACE program is the largest out-patient prescription drug program for older Americans in the United States for which claims data is available. It is used in this study,as well as by several other analysts, as a proxy database for prescription drug usage by all older Americans. In 1997, over 250,000 persons were enrolled in the program, which provided over $100 million of assistance in filling over 2.8 million prescriptions.

Based on the PACE data, the five patented, nongeneric drugs with the highest sales to seniors in 1997 were: Prilosec, an ulcer and heartburn mediation manufactured by Astra/Merck; Norvasc, a blood pressure medication manufactured by Pfizer; Zocor, a cholesterol-reducing medication manufactured by Merck; Zoloft, a medication used to treat depression manufactured by Pfizer; and Procardia XL, a heart medication manufactured by Pfizer.

In addition to the top five drugs for seniors, this study also analyzed two additional prescription drugs, Synthroid and Micronase. Synthroid is a hormone treatment manufactured by Knoll Pharmaceuticals, and Micronase is a diabetes medication manufactured by Upjohn. These popular prescription drugs were included in the study because the earlier analysis indicated that there is substantial discrimination in the pricing of these drugs.

B. Determination of Average Retail Drug Prices in Texas' 20th Congressional District

In order to determine the prices that senior citizens are paying for prescription drugs in Rep. Gonzalez's congressional district, the minority staff and the staff of Rep. Gonzalez's congressional office conducted a survey of 11 drug stores—including both independent and chain stores—in his district. Rep. Gonzalez represents the 20th Congressional District in southern Texas, which includes central San Antonio and rural areas to the west and southwest of the City.

C. Determination of Average Drug Prices in Canada and Mexico

Prices for prescription drugs in Canada and Mexico were determined via a survey of pharmacies in Canada and Mexico. At the request of the minority staff of the Committee on Government Reform, the surveys were conducted by the Office of NAFTA and Inter-American Affairs of the U.S. Department of Commerce. In Canada, pharmacies were surveyed in three provinces; Ontario, British Columbia, and Nova Scotia. In Mexico, pharmacies were surveyed in Monterrey and Guadalajara.

Prices from Canadian pharmacies were determined in Canadian dollars, and prices from Mexican pharmacies were determined in pesos. All prices were converted to U.S. dollars using commercially available exchange rates.

D. Selection of Drug Dosage and Form

In comparing drug prices, the study generally used the same drug dosage, form, and package size used by the U.S. General Accounting Office in its 1992 report, Prescription Drugs: Companies Typically Charge More in the United States Than in Canada. For drugs that were not included in the GAO report, the study used the dosage, form, and package size common in the years 1994 through 1997, as indicated in the Drug Topics Red Book. The dosages, forms, and package sizes used in the study are shown in Table 1.

All prescription drugs surveyed in this report were available in Canada in the same dosage and form as in the United States. In Mexico, several drugs were not available in the same dosage and form. In this case, prices of equivalent quantities were used for the comparison. For example, in the United States the drug Zocor is commonly available in containers containing five mg. tablets, while in Mexico Zocor is available only in containers containing ten mg. tablets. To compare Zocor prices, this report compared the cost of 60 five mg. tablets of Zocor in the United States with the cost of 30 ten mg. tablets in Mexico. Several drugs are also sold under different names in Mexico. The Mexican equivalents of U.S. brand names were determined using the 44th edition of the Diccionario de Especialdades Farmaceuticas (1998).

III. FINDINGS

A. Senior Citizens in Texas's 20th Congressional District Pay More for Prescription Drugs Than Consumers in Canada

Consumers in Canada obtain prescription drugs in one of two primary ways. Approximately 35% of the prescription drugs sold in Canada are paid for by the provincial governments on behalf of senior citizens, low-income individuals, and other beneficiaries of government health care programs. The rest of the population in Canada must either buy their own drugs or obtain prescription drug insurance coverage.

The regulatory system in Canada protects individual consumers who buy their own drugs from price discrimination. The Patent Medicine Prices Review Board (PMPRB), established under the Ministry of Health by a 1098 law, regulates the maximum prices at which manufacturers can sell patented medicines. If the Board finds that the price of a patented drug is excessive, it may order the manufacturer to lower the price, and may also take measures to offset any revenues the manufacturer has received from the excess pricing. Pharmacy dispensing fees for individual retail customers are not controlled by the government. Each pharmacy sets its unusual and customary dispensing fee and must register this fee with provincial authorities.

This study indicates that the Canadian system producers prescription drug prices that are substantially lower in Canada than in Rep. Gonzalez's district than in Canada (Table 1).

For all five drugs, prices were higher in Rep. Gonzalez's district. For two drugs, Zocor and Prilosec, the prices in Rep. Gonzalez's district were more than twice as high as the Canadian prices. The highest price differential among the top five drugs was 147%, for Zocor, a cholesterol medication manufactured by Merck.

For other drugs, price differentials were even higher. Synthroid is a hormone treatment manufactured by Knoll Pharmaceuticals. For this prescription drug, senior citizens in Rep. Gonzalez's district must pay an average price of $31.54, while consumers in Canada pay only $10.53—a price differential of 200%. For Micronase, a diabetes drug manufactured by Upjohn, senior citizens in Rep. Gonzalez's district pay prices that are 306% higher than Canadian consumers.

Prilosec, the ulcer medication manufactured by Merck, was the top prescription drug in dollar sales in the United States in 1998. An uninsured senior citizen in Rep. Gonzalez's district pays $74.39 more than consumers in Canada for a one month supply of Prilosec—an annual price difference of nearly $900. Similarly, a senior in Rep. Gonzalez's district pays nearly $70 more than a senior in Canada for a two month supply of Zocor, an annual difference of over $400, and over $100 more than a senior in Canada for a 100 day supply of Zoloft, an annual difference of nearly $400.

The findings in this report are consistent with the findings of other analyses. In 1992, GAO looked at the prices that drug companies charge wholesalers for prescription drugs in the United States and Canada. The results of the GAO study showed that, for the top five drugs in the United States, the average differential between the price in the United States and the price in Canada was 79%. According to GAO, ''government regulations and reimbursement practices contribute to lower average drug prices in Canada. In setting prices, manufacturers of patented drugs must conform to Canadian federal regulations that review prices for newly released drugs and restrain price increases for existing drugs.

Similarly, in 1998, Canada's Patented Medicine Prices Review Board performed a comprehensive review of prices in Canada, the United States, and six European countries. The Board found that prescription drug prices in the United States were 56% higher than prices in Canada, and that prices were even lower in other industrialized countries. Prices in the United states were 96% higher than prices in Italy, 75% higher than prices in France, 55% higher than prices in the United Kingdom, 47% higher than prices in Sweden, and 40% higher than prices in Germany. The United States had the highest prices among the eight industrialized nations that were part of the survey.

GAO also investigated whether the price differential it observed was attributable to differences in the costs of production and distribution. GAO found that drug costs—such as research and development—are not allocated to specific countries, and the costs of production and distribution make up only a small share of the cost of any drug. The study concluded that ''production and distribution costs cannot be a major source of price differentials.''

B. Senior citizens in Texas's 20th congressional district pay more for prescription drugs than consumers in Mexico

As in Canada, consumers in Mexico also obtain prescription drugs in one of two primary ways. Approximately 30% of the pescription drugs sold in Mexico are purchased by the government and provided to eligible citizens at a significant discount through the social security system. The rest of the population in Mexico must either buy their own drugs or obtain prescription drug insurance coverage.

The regulatory system in Mexico, like the system in Canada, protects individual consumers who buy their own drugs from price discrimination. Drug prices and rates of price increases in Mexico are controlled by the Ministry of Commerce and Economic Development (known by its Spanish acronym,

Secofi) under the Pact For Economic Stability and Growth. Under the Mexican law, manufacturer and the government engage in negotiations to determine the nationwide maximum prices for prescription drugs. Pharmaceutical products are prepackaged and stamped with the maximum sales price, guaranteeing consist prices throughout the country.

This study indicates that the Mexican system produces prescription drug prices that are substantially lower in Mexico than in Rep. Gonzalez's district. Average prices for the top five drugs for seniors were 99% higher in Rep. Gonzalez's district than in Mexico (Table 1.) Prices for all five drugs were higher in Rep. Gonzalez's district. The highest price differential among the top five days was 303%, for Prilosec. an ulcer medication manufactured by Astra/Merck.

For other drugs, price differentials were even higher. In the case of Micronase, senior citizen in Texas's 20th Congressional District pay an average price of $54.81 while consumers in Mexico pay only $9.48—a price differential of 478%.

In dollar terms, uninsured senior citizens in Rep. Gonzalez's district pay nearly $100 more than consumers in Mexico for a one month supply of Prilosec—an annual price difference of over $1,100. Similarly a senior in Rep. Gonzalez's district pays over $45 more than a senior in Mexico for a two month supply of Zocor, an annual difference of over $250, and over $65 more than a senior in Mexico for a 100 day supply of Procardia XL, an annual difference of over $200.

These findings are consistent with those of other experts. While there have been few direct comparisons of prices in the United States and Mexico, the Congressional Research Service has found that differences in the regulatory systems between the two countries result in the large price differentials. CRS concluded that ''of greater importance in explaining price differentials in drug prices in Mexico, and have been for some time.''

INTRODUCTION OF STEWARDSHIP, EDUCATION, RECREATION AND VOLUNTEERS FOR THE ENVIRONMENT (SERVE) ACT OF 1999

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. UDALL of New Mexico. Mr. Speaker, today I rise in support of the Stewardship, Education, Recreation and Volunteer (SERVE) Act of 1999. This legislation, introduced by my colleague and cousin, Mr. UDALL of Colorado and which I am proud to be a co-sponsor of, will energize and expand existing efforts to enhance the outdoor, education and recreation experiences of the great outdoors for many Americans.

Our Nation's national parks, national forests, wildlife refuges, recreation areas and public lands are enjoyed by nearly two billion visits each year. These wonderful areas provide Americans with sightseeing, wildlife watching, hunting, fishing, hiking, and camping opportunities, just to name a few. In my District alone, visitors can experience a wide range of education and outdoor recreation opportunities. From the Chaco Culture National Historical Park, which provides Americans a brief glimpse into the daily life of the region's first inhabitants, to the Bureau of Land Management's Bisti/De-Na-Zin Wilderness with its dramatic moon like landscape, to the high country mountains and streams of the Santa Fe National Forest that provide excellent hunting, fishing and camping opportunities.

Visitors to our Nation's public lands often don't realize that behind the scenes of these magnificent natural and historical areas that visitors have come to see and learn about, are a cadre of volunteers who have selflessly given their time and expertise to the American people to make their experiences memorable. For without the hard work, dedication and enthusiasm of the volunteers, Federal land management agencies would not be able to stay ahead of the maintenance and enhancements our national treasures require.

In the 1980's, a program was established to encourage Americans to become more involved in the management and protection of their lands for current and future generations. By all accounts, this program showed promise. Federal land management agencies such as the National Park Service, U.S. Forest Service, Bureau of Land Management, and U.S. Fish and Wildlife Service were given a long needed tool to recruit and recognize individuals who donated their energy, time and expertise to enhance our federal and public lands for all Americans to enjoy.

Unfortunately, other priorities and funding issues have placed this program on the back burner. It is now time to revitalize, re-energize and expand our Nation's volunteer and educational outreach program.

Mr. Speaker, this legislation would not only restore a past volunteer program, but expand and strengthen it by providing more powerful tools to Federal land managing agencies. This legislation would direct the Secretary of Agriculture and the Secretary of the Interior to establish a national stewardship award program to recognize individuals, organizations and communities who have distinguished themselves by volunteering their time, energy and commitment to enhancing the priceless legacy of our Nation's public lands. As a minimum under this legislation, the Secretaries would establish a special pass to all our national parks, forests, refuges and other public lands to recognize volunteers for their exemplary efforts.

Mr. Speaker, this legislation would also encourage an attitude of land and resource stewardship, and responsibility towards public lands by promoting the participation of individuals, organizations and communities in developing and fostering a conservation ethic towards the lands, facilities and our natural and cultural resources. Specifically, this legislation would encourage Federal land management agencies to enter into cooperative agreements with academic institutions, State or local government agencies or any partnership organization. In addition, the Secretaries would be enabled to provide matching funds to match non-Federal funds, services or materials donated under these cooperative agreements.

Providing educational opportunities has been one of America's greatest achievements and is one of the greatest gifts one generation can give to the next generation. This legislation encourages each Federal land management agency to play a role in education by cooperating with States, local school districts and other education oriented entities to (1) promote participation by students and others in volunteer programs of the Federal land management agencies, (2) promote a greater understanding of our Nation's natural and cultural resources, and (3) to provide information and assistance to other agencies and organizations concerned with the wise use and management of our Nation's Great Outdoors and its natural and cultural resources.

Mr. Speaker, I am confident that this chamber realizes the importance of this bill in recognizing the invaluable role volunteers play in the stewardship of our Nation's cultural and natural resources. Therefore, I ask immediate consideration and passage of this bill.

EAST GRAND RAPIDS HIGH SCHOOL NAMED NEW AMERICAN HIGH SCHOOL

HON. VERNON J. EHLERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. EHLERS. Mr. Speaker, I rise today to honor the students, staff and community that represent East Grand Rapids High School in my congressional district. It is my pleasure to honor all of those in the East Grand Rapids family for their commitment and dedication which resulted in being named a 1999 New American High School by the U.S. Department of Education and the National Association of Secondary School Principals. The award recognizes schools where all students are expected to meet challenging academic standards and acquire the communication, problem solving, computer and technical skills necessary to pursue careers and higher education.

To even be considered as a New American High School there are many hurdles that a school must successfully pass. Applicants must supply members of a steering committee with documentation that they have undertaken standards-based, locally driven reform efforts that positively affect key indicators of school improvement and student success. Among the documentation items they must present are proof of increases in student achievement, increases in student enrollment at postsecondary institutions, increases in student attendance, and reductions in student dropout rates.

East Grand Rapids is a model school when it comes to challenges and performance High expectations are set for all students because of the high motivation level of the student body. The numbers speak for themselves. Based on statistics from the 1998 school year, approximately 94% of East Grand Rapids students enrolled in colleges or universities. The school registered a dropout rate of less than 1% and an attendance rate of 97%. Academic test scores are also the highest in the state of Michigan in mathematics, reading, and writing.

Mr. Speaker, I am delighted to take this opportunity to highlight the positive happenings at East Grand Rapids High School under the leadership of Superintendent Dr. James Morse and Principal Patrick Cwayna. It takes a lot of pride, sacrifice, and teamwork to qualify for this prestigious award. I ask all of my colleagues to join me in saluting everyone involved in helping East Grand Rapids achieve this remarkable honor. I also wish continued academic and overall success for everyone associated with this school.

REGARDING THE TRAGEDY AT THE TEXAS AGGIE BONFIRE OF TEXAS A&M UNIVERSITY

HON. JOE BARTON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. BARTON of Texas. Mr. Speaker, I speak today with great sadness about a tragedy which happened early this morning at Texas A&M University. A great tradition that all Aggies hold very dear—Texas Aggie Bonfire—collapsed, killing at least six people and injuring as many as 25. My thoughts and prayers are with the parents who lost children, and the students who lost friends. Texas A&M is a family, and today the Aggie Family is in shock, grieving for our dead and injured students.

For those of you who have not ever heard of Texas A&M Bonfire, it is one of the most cherished Aggie traditions. Traditions are very important at Texas A&M. The bonfire tradition revolves around building and burning the world's largest bonfire. In past years, it has soared over 100 feet high and burned all night. This year's bonfire was scheduled to be over 60 feet high and burn until after midnight.

Aggie Bonfire has been a tradition at Texas A&M since 1909 when they used it to stay warm during the ''Yell Practice'' on the night before the annual A&M-Texas football game. The bonfire represents everything Aggies are about: hard work, unity, dedication, and loyalty. It also represents a burning desire for A&M to defeat the Longhorn football team.

Several thousand members of the student body contribute in one way or another to building bonfire. When I was a freshman at Texas A&M, I participated in Bonfire by going out to ''cut''. The ''cut'' area is selected a few months before the football game against t.u. Areas are selected that need to be cleared for construction and then the work begins. The entire bonfire is built the ''Aggie'' way. Trees are cut down by hand, they are lifted and carried out of the woods on shoulders, they are loaded onto trucks by hand, unloaded by hand, stacked by hand and wired into stack by hand. In my sophomore year, I was ''promoted'' to the stack area and helped erect the actual bonfire.

It is often said that if other schools had a tradition like this they would probably contract it out to the lowest bidder and then all show up just to watch it burn, but not the Aggies. Not only do we do it all ourselves but we do it the hard way. The building of bonfire builds character. The hard work and sacrifice of time teaches a good work ethic that is not soon forgotten.

What does it mean to be a Texas Aggie? A&M is a special place. Values are taught both in the classroom and out of the classroom. Aggies lives our traditions and cherish them, and pass them onto their children. I have three children, two have graduated from A&M and my youngest daughter will enter A&M next Fall. In spite of the tragedy that has occurred, it is my hope that Bonfire continues in the great spirit in which it embodies, and that my daughter Kristin will help build it in years to come.

TEAR DOWN THE USTI WALL; DROP THE CHARGES AGAINST ONDREJ GINA

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. SMITH of New Jersey. Mr. Speaker, in recent weeks, we have seen a number of historic dates come and go, with appropriate commemoration. November 9, for example, marked the tenth anniversary since the fall of the Berlin Wall. Yesterday, November 17, is recognized as the commencement of the Velvet Revolution which unleashed the forces of democracy against the totalitarian regime in Czechoslovakia. To mark that occasion, George Bush, Margaret Thatcher, Mikhail Gorbachev and other former leaders from the day met with President Vaclav Havel in Prague.

Beyond the symbolism of those dates, they have had other meaning. Many of us had hoped that the wall in Usti nad Labem, Czech Republic—a symbol of racism—would be brought down on the anniversary of the fall of the Berlin Wall. Regrettably, November 9, came and went, and the Usti Wall still stood.

We had hoped that the Usti Wall would come down on November 17. Some Czech officials even hinted this would be the case. Regrettably, November 17 has come and gone, and the Usti Wall still stands.

Now, I understand some say the Usti Wall should come down before the European Union summit in Helsinki—scheduled for December 6. Mr. Speaker, the Usti Wall should never have been built, and it should come down now, today. As President Reagan exhorted Mr. Gorbachev more than ten years ago, so I will call on Czech leaders today:

Tear down the Usti Wall.

Last fall, a delegation from the Council of Europe visited Usti nad Labem. Afterwards, the Chairwoman of the Council's Specialist Group on Roma, Josephine Verspaget, held a press conference in Prague when she called the plans to build the Usti Wall ''a step towards apartheid.'' Subsequently, the United States delegation to the OSCE's annual human rights meeting in Warsaw publicly echoed those views.

Since the construction of the Usti Wall, this sentiment has been voiced, in even stronger terms, by Ondrej Gina, a well-known Romani activist in the Czech Republic. He is now being prosecuted by officials in his home town of Rokycany, who object to Gina's criticisms. The criminal charges against Mr. Gina include slander, assault on a public official, and incitement to racial hatred. In short, Mr. Gina is being persecuted because public officials in Rokycany do not like his controversial opinions. They object to Mr. Gina's also using the word ''apartheid.''

I can certainly understand that the word ''apartheid'' makes people feel uncomfortable. It is an ugly word describing an ugly practice. At the same time, if the offended officials want to increase their comfort level, it seems to me that tearing down the Usti Wall—not prosecuting Ondrej Gina—would be a more sensible way to achieve that goal. As it stands, Mr. Gina faces criminal charges because he exercised his freedom of expression. If he is convicted, he will become an international cause célèbre. If he goes to jail under these charges, he will be a prisoner of conscience.

Mr. Speaker, it is not unusual for discussions of racial issues in the United States to become heated. These are important, complex, difficult issues, and people often feel passionate about them. But prosecuting people for their views on race relations cannot advance the dialogue we seek to have. With a view to that dialogue, as difficult as it may be, I hope officials in Rokycany will drop their efforts to prosecute Mr. Gina.

RESIDENTIAL LOAN SERVICING CLARIFICATION ACT

HON. EDWARD R. ROYCE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. ROYCE. Mr. Speaker, the legislation I am introducing today addresses a technical problem that residential loan servicers have encountered in complying with the federal Fair Debt Collection Practices Act (''FDCPA''). Creditors collecting their own debts are already exempt from the FDCPA, which is aimed at regulating the practices of independent debt collectors. When a residential loan servicer acquires a servicing portfolio, it is generally exempt for the FDCPA under the creditor exemption. However, a question arises when loans in a portfolio are delinquent at the time they are acquired, since the creditor exemption does not apply to debts that were ''in default'' at the time the servicer acquired them. This limitation to the creditor exemption has created considerable uncertainty in the mortgage servicing industry. In order to avoid possible liability, many loan servicers have been attempting to comply with the FDCPA by applying it to every loan, whether it was delinquent or not, when they acquired the servicing rights.

The disclosures required of debt collectors under the FDCPA, however, create particular difficulties for residential mortgage loan servicers. In addition to its substantive anti-abuse protections for the debtors, the FDCPA requires a debt collector to notify the borrower in the initial written or oral communication with the borrower that it is attempting to collect a debt and that any information obtained will be used for that purpose (the so-called ''Miranda'' warning), requires in each subsequent communication to indicate that the communication is from a debt collector, and requires that the debt collector provide a written debt validation notice within five days after the initial communication, which allows the borrower to dispute all or any portion of the debt within 30 days. The debt validation provisions also create additional complexity for servicing activities due to restrictions or making any ''collection'' efforts during the thirty day validation period. These informational requirements dictate that the loans subject to the FDCPA must get different communications from the servicer throughout their maturity, and thus require that the loans be identified and specially designated, creating additional costs without any additional protections or benefits provided to the borrowers.

Moreover, consumers are not well-served when the servicer feels compelled to make the FDCPA's disclosures. Residential mortgage

loan servicers are generally not true debt collectors even if they may be deemed to be a ''debt collector'' under the FDCPA with respect to a small percentage of their loans. A separate set of rules in the Real Estate Settlement Procedures Act requires servicers of first lien loans to provide notices related to the borrower's right when servicing is transferred. The special FDCPA notices may convey the misleading impression that the loan has been referred to a traditional, independent debt collector, when, in fact, all that has happened is that the servicing rights have been transferred from one servicer to another—often as part of a larger portfolio of performing loans.

As an alternative to following the special procedural requirements of the FDCPA, some servicers decline to accept any delinquent loans. When an acquiring loan servicer takes this approach, the perverse result may be that the holder of the servicing rights who no longer wishes to service these loans may subject these delinquent loans to more aggressive collection action than would otherwise take place if the acquiring servicer had been willing to accept those loans.

The legislation I am proposing here today is intended to address the problems created when the FDCPA's procedural requirements are applied to residential mortgage loan servicers. The legislation would apply only to first lien residential mortgage loans that are acquired by bona fide loan servicers, not professional debt collectors. It would exempt them only from the ''Miranda'' notice and the dept validation provisions of the FDCPA.

Importantly, all of the substantive protections under the FDCPA would continue to apply to any loan as to which the servicer is not exempt as a creditor. These provisions will allow residential mortgage loan servicers to treat the few loans subject to the FDCPA in the same way they treat all other loans and will thus reduce unnecessary administrative costs incurred identifying and separately handling these accounts. In addition, once a servicer is considered a ''debt collector'' under the FDCPA, the borrower would have a right to request a ''validation statement''—a statement of the amount necessary to bring the loan current and to pay off the loan in full as of a particular date.

I think it is also important to note that this proposed legislative clarification has the full support of the Federal Trade Commission, the agency with enforcement jurisdiction over the FDCPA. As a matter of fact, the FTC has consistently gone on record in its Annual Report to Congress as supporting legislative clarification in this area. The FTC's 21st Annual Report to Congress provides as follows:

Section 803 (6) of the FDCPA sets forth a number of specific exemptions from the law, one of which is collection activity by a party that ''concerns a debt which was not in default at the time it was obtained by such a person.'' The exemption was designed to avoid application of the FDCPA to mortgage servicing companies, whose business is accepting and recording payments on current debts. (March 19, 1999 Report)

The report then goes on to make specific recommendations to Congress:

The Commission believes that Section 803 (6)(F)(iii) was designed to exempt only businesses whose collection of delinquent debts is secondary to their function of servicing current accounts. . . . Therefore, the Commission recommends that Congress amend this exemption so that its applicability will depend upon the nature of the overall business conducted by the party to be exempted rather than the status of individual obligations when the party obtained them.

I am pleased that several of my colleagues on the House Banking and Financial Services Committee, namely Reps. JACK METCALF (WA) and WALTER JONES (NC), are also sponsoring what I hope will be bipartisan legislation to clarify the FDCPA as it applies to residential loan servicers. Mr. Speaker, I hope we can move early in the next session to address this issue in both Committee and on the House floor.

IN MEMORY OF WILLIE J. COTTON, JR.

HON. BOB ETHERIDGE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. ETHERIDGE. Mr. Speaker, I rise today in honor of the grandfather of Bailey Cotton, Seth Cotton, Emma Cotton, Justin Sloan, Matthew Evans and Leslie Evans; the father of Betty Evans, June Sloane and Dwight Cotton and the husband of Iris Lee Cotton. I rise in honor of Mr. Willie J. Cotton, Jr. who passed away on October 27.

Mr. Cotton was a native of Harnett County, North Carolina. He was a past county commissioner and served Harnett County in office for 12 years. Mr. Cotton served our country in World War II and was a lifelong member of Kipling United Methodist Church.

As North Carolina's former Superintendent of public education, I know what a battle it is to build quality schools for our children. Improving schools for our children is my life's work. Mr. Cotton took this battle on as a county commissioner to build better schools in Harnett County. There aren't many times that a person in public service takes a stand for the good of future generations that can cost them their political career. He knew he could lose but he voted anyway, and children in my home county have been in modern facilities since 1975. My own children and the children of Harnett county owe thanks to a man most of them never knew.

That is why, Mr. Speaker, I stand here today: To honor Mr. Cotton and to pay my respects to his family and my debt of gratitude. We have lost a great man, and I am proud to continue his fight for better schools for our children.

THE SMALL BUSINESS FRANCHISE ACT

HON. HOWARD P. "BUCK" McKEON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. McKEON. Mr. Speaker, I am a recent cosponsor of H.R. 3308, the Small Business Franchise Act introduced by Representative HOWARD COBLE. Today, I include for the RECORD testimony from a recent Judiciary Commercial and Administrative Law Subcommittee hearing on this legislation. During this hearing a constituent of mine, Patrick Leddy, testified about his dealings as a franchise owner. Because of his very moving testimony, I became a cosponsor of this legislation. I wish to thank him for his words and include them in the RECORD today.

STATEMENT OF PATRICK JAMES LEDDY, JR.

My name is Patrick James Leddy Jr. I have owned and operated a Baskin-Robbins 31 Flavors franchise in Newhall, California since August 1, 1986, a total of 13 years. I am also a 26 year veteran firefighter with the Los Angeles City Fire Department. I purchased my franchised business to supplement my income, and to prepare my wife and I for our retirement. In 1996 my wife and I became very discouraged with the manner in which our Franchisor, which is a wholely owned subsidiary of a foreign corporation, was treating its franchisees. After careful consideration and after seeing sales at our fellow franchisee's stores plummet as a result of the placement of new stores and drastic changes to the system which we had originally purchased, we decided to sell our store.

In February of 1997, three months after notifying Baskin-Robbins that we were interested in selling our store, we received a notification that Baskin-Robbins was considering a location for a new store located in a shopping mall, a mere two miles from my store and well within the market from which we draw a large number of our customers.

Later that month my wife and I met with our district manager to discuss our ability to sell our store and the tremendous impact the new store would have on our existing store. To our surprise the representative from Baskin-Robbins agreed with us, and suggested that if Baskin-Robbins were to go forward with this plan, how would we feel if they were to purchase our store, and then sell both our store and the new store as a package to a new buyer? We agreed that this would be acceptable to us. Whereafter, the Baskin-Robbins representative offered us $40,000 dollars less than what I had paid for this store seven years earlier, and after an additional $70,000 dollars I paid for improvements which were required by Baskin-Robbins. We were appalled at this offer, but were advised by the Baskin-Robbins representative that we really should considert his offer, because if Baskin-Robbins does elect to place this new store at the proposed location, our store wouldn't even be worth that amount.

Thereafter in April of 1997, and pursuant to an internal policy of Baskin-Robbins, which is not binding on Baskin-Robbins, and which is rarely followed by the company, I submitted to my district manager my response to this Baskin-Robbins proposed new location. He assured me that he would notify me of any developments as they occur, and that we would be notified promptly, once a determination had been made.

In June of 1997, after several unsuccesfull attempts to learn whether Baskin-Robbins would proceed with the new store my wife called our district manager and explained to him that we needed immediate information on what the company intends to do about this new site, because we have had several prospective buyers for our store that were disinterested once we disclosed to them Baskin-Robbin's plan. The Baskin-Robbins representative advised us not to disclose the information about the new store to our prospective buyers.

In July of 1997, our local neighborhood magazine publications reported that a new Baskin-Robbins would be open two miles from our store. We were shocked. Two days after this news story appeared, and after numerous telephone calls to Baskin-Robbins on our part, we finally received official notification from Baskin-Robbins about the new store.

We later learned that Baskin-Robbins signed the lease for this new store on May 13, 1997.

On August 5, 1997, after the underhandedness that we had felt from Baskin-Robbins, my wife and I decided that in our best interest we should retain legal representation to help us resolve the matter with Baskin-Robbins regarding the encroachment issue and the subsequent issue of our inability to sell our store.

In June of 1998 the new store opened, with their grand opening celebration following in August. As you can see on the enclosed charts, sales at our store have drastically declined as a result, and have effectively terminated our ability to sell the store at a reasonable price.

While attempting to resolve matters through our attorney, Baskin-Robbins has become increasingly hostile towards us. They have begun arbitrarily rating us as ''C'' franchisees, when in the past, we had always maintained an ''A'' or ''B'' rating. In addition, they have brought against us a lawsuit, contending that we were poor operators. One week before the inspection that is the basis for their lawsuit however, a mystery shopper trained and employed by Baskin-Robbins rated our operation superior, as did the LA county Health Inspector.

In closing, I would ask your full support in addressing the obvious imbalance in the relationship between franchisor and franchisee through legislation. I am one Franchisee of many that are so frustrated in the way that we are literally forced to do business. Many franchisees I now that have lost their businesses, are going to lose their businesses, or are just plain hanging in there because there's nothing else they can do. I am extremely fortunate that I have another profession to fall back onto, while others suffer from intimidation, or being afraid to stand up and say anything, for fear that they will be strong-armed into submission, as Baskin-Robbins has attempted to do me. Please give us the tools that we need to survive in this giant corporate world, so that us little guys can continue making those big guys who they are. Thank you.

IN MEMORY OF TIM DONOHUE, LONG TIME CONGRESSIONAL STAFFER

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mrs. MALONEY of New York. Mr. Speaker, I rise to pay tribute to Timothy Leo Donohue, a long time employee of the House of Representatives who passed away on November 11, 1999. Tim loved politics, government service and the House of Representatives where he worked for more than twenty years.

Tim was usually in the Speakers Gallery, helping to control access to the Floor. Generally assigned to the Democratic side, Tim understood that just because our work is important does not mean it must be cheerless. Always there with a warm smile and a good word, Tim made us all feel good about ourselves and our work. Tim was the consummate professional. He took his job seriously without taking himself too seriously. When questioned about his ability to recall names and faces, he joked ''After you have memorized the faces of 435 white males the rest is easy.''

Prior to his service with the Doorkeeper, Tim worked for Congressman Charlie Wilson and Senators LEAHY and Cranston. His last service on the Hill was with Congressman BARNEY FRANK.

Tim was a deeply spiritual person, who had studied for the priesthood before deciding to devote himself to public service. In making this choice, Tim was motivated by the belief that public service was the best way for him to serve God and country.

Tim was also a gay activist who served that community in a number of ways. He devoted countless hours to ''Food and Friends'' a charitable group dedicated to easing the suffering of those afflicted with AIDS and to gay political groups, especially ActUp.

Tim also encouraged a number of gay writers. Tim is quoted in Michelangelo Signorile's ''Queer in America'' on the role of gays in Government. While some were arguing about the risk posed by gays in the military, Tim presents images of gays who love their country and choose government service. Without ''naming names,'' Tim helped correct the historic record to point out the important role played by gay staffers in Congress.

As a proud liberal who loved his country, Tim sacrificed a high position as an energy company lobbyist because he questioned Interior Secretary James Watt's statement that America was divided between ''liberals and Americans.''

Today, we mourn the passing of a loyal and hardworking staffer. Like many others who work in this House, Tim sacrificed high pay and other benefits to serve his country. He appreciated that the worth of a man is not measured in how much he earns but in how much he contributed to the common good. This House and our country suffered a loss when Tim Donohue left this world.

ARTHUR SZYK: ARTIST FOR FREEDOM

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. LANTOS. Mr. Speaker, Arthur Szyk is considered by many scholars to be the greatest illuminator who worked in the twentieth century in the style of sixteenth–century miniaturist painters. The Times of London described his Haggadah as ''worthy to be placed among the most beautiful of books that the hand of man has produced.'' He is indeed one of the most remarkable and talented artists of this century. Arthur Szyk's works on George Washington and the American Revolution hung in the White House during the administration of Franklin Delano Roosevelt, and these works are now on display at the Roosevelt Presidential Library at Hyde Park, New York. In recognition of his talent and commitment, the U.S. Congress presented Arthur Szyk the George Washington Bicentennial Medal in 1934.

Mr. Speaker, Arthur Szyk was not just an artist, he was an artist with a point of view, and he used his art to speak out for freedom and democratic values. He was the leading political artist in America during World War II, and he wielded his pen and his brush as a sword in the fight against Nazi Germany and Imperial Japan. During the war, his caricatures and cartoons appeared on the front covers of many of America's leading magazines—Colliers, Esquire, Time—where his graphic political editorials and brilliant parodies lampooned the Nazi and Axis leaders. His art seethed with mockery and scorn for the Fascist dictators. First Lady Eleanor Roosevelt called Szyk a ''one-man army against Hitler.'' As Szyk himself said, ''Art is not my aim, it is my means.''

In addition to his art advancing the fight against Germany and Japan, he used his art to attack racism, bigotry and inhumanity at all levels. He sought to close the gaps between Blacks and Whites, between Jews and non-Jews. He defended the rights of the soldier, and he expressed sympathy and compassion for the victims and refugees of war-torn Europe.

Mr. Speaker, Arthur Szyk was born in Lodz Poland in 1894. He came to the United States in 1940 sent here by the Polish government-in-exile and by the government of Great Britain with a mission to bring the face of the war in Europe to the American public. That he did with great skill and vision. He remained in the United States, became an American citizen, and died in New York City in 1951.

Mr. Speaker, I wish to call the attention of my colleagues to an excellent exhibit of the work of Arthur Szyk which will open in just a few days. The exhibit ''Arthur Szyk: Artist for Freedom'' will be on display in the Swann Gallery of the Jefferson Building of the Library of Congress from December 9, 1999 through May 6, 2000. I urge my colleagues to visit this exhibit, which is literally across the street from this Chamber. Arthur Szyk is one of the great artists of this century, and his art not only reflected and helped to define a critical period in the history of our nation, his art also helped to rally Americans in the fight for freedom and against brutal tyranny during World War II.

TRIBUTE TO RALPH ''POP'' STRICKLIN

HON. MARION BERRY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. BERRY. Mr. Speaker, I rise today to pay tribute to a true friend and truly great Arkansan, Ralph ''Pop'' Stricklin.

Pop, who celebrated his 80th birthday last month, has helped make Jonesboro, Arkansas, the great place that it is today. When he wasn't working in the electric and refrigeration business, a career he began in 1936, Pop served his country and his community in so many ways. He served his country in the U.S. Army from 1941–46. For 36 years, he served as the Alderman of Jonesboro, working under five mayors. He also worked with the Fair Board for 15 years and was a valued and faithful employee to Arkansas State University for 20 years.

Pop is a VFW life member, DAV life member, a member of the American Legion; the Boy Scouts; Salvation Army Board; the Elks; Kiwanis, where he has had 36 years of perfect attendance; a board member of the First Methodist Church; and a member of the Jaycees ''Old Rooster, after 35 age group,'' to name a few. He has also served on several

committees including the police, street, parks, fire, cemetery, animal control, planning and inspection, electrical examining board, and other committees where he made a difference and always contributed to the city of Jonesboro and the state of Arkansas. Pop has received the key to the city of Jonesboro and has a day named after him because of his work.

He has also worked to improve the lives of young people as an active member of the male-youth organization Order of DeMolays, where he was ''State DeMolay Dad,'' or ''Pop'' as we now call him.

Pop Stricklin exemplifies what it is to be a great citizen and a great American. He has always worked hard to make his community a better place to live, work, and raise a family. Our community is a better place because of his presence. He is someone you can always count on and I am proud to call Pop Stricklin my friend.

INTRODUCTION OF CONCURRENT RESOLUTION TO DEDICATE BUDGET SURPLUS FUNDS TO PROTECT FEDERALLY HELD AMERICAN INDIAN TRUST FUND ACCOUNTS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. GEORGE MILLER of California. Mr. Speaker, I rise today to introduce a House Concurrent Resolution calling for Congress to dedicate a portion of the budget surplus to fulfill the moral and legal responsibilities of the United States by ensuring proper payment and management of all federally held tribal trust fund accounts and individual Indian money accounts.

Since 1820, the United States has held monies in trust for American Indians. At first for Indian Tribes and later for individual Indians as well. Funds mostly derived from the lease or sale of trust lands and other resource assets including timber stumpage, royalties from oil, gas and coal development, and agriculture fees are added to these trust fund accounts. Currently, the Bureau of Indian Affairs (BIA), which is charged with maintaining the accounts, controls approximately 390,000 individual Indian money accounts (IIM), and 1,500 tribal accounts. Each year over $1 billion passes through these accounts.

The historical and legal record demonstrates that the U.S. government has failed miserably at its fiduciary responsibility to manage these accounts. Horror stories include years of royalty checks being stuffed in desk drawers instead of deposited, and piles of documents thrown away, destroyed or lost. Reams of reports by Congressional investigators, spanning several Administrations, document the often careless and incompetent manner in which these accounts have been managed. Beginning in 1991 Congress funded BIA to reconcile the accounts but after 5 years and $21 million we were told that volumes of documentation of transactions and investments simply no longer exist.

As far back as the Reagan administration, the Indian Trust Funds were listed as one of the top federal financial liabilities. Currently, a class action suit of Individual Indian Money (IIM) account holders is pending in federal court and the BIA is working to ensure that similar accounting problems do not occur in the future.

In the meantime, I am deeply concerned that Congress is paying inadequate attention to the very substantial financial debt the federal government owes to Native American account holders. In particular, in making sweeping decisions about allocation of the budget surplus, it is essential that we reserve sufficient funds to ensure our ability to meet our fiduciary responsibilities to Indian tribes and individuals.

These are real debts we owe to fellow American citizens; just as we cannot spend the surplus needed for Social Security and Medicare solvency, so, too, must we reserve sufficient amounts to meet our obligations to the Indian Trust Funds.

My House Concurrent Resolution calls upon the Congress to fulfill our moral and legal obligations to Native Americans by reserving adequate funds to address the problem. I will push for swift consideration and approval of this legislation and urge all my colleagues to join me in supporting this important resolution.

TRIBUTE TO CARL AND JUDY RUDD

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. PORTMAN. Mr. Speaker, I rise today to pay tribute to a family in the district I represent that has brightened the holiday season for generation of Southwest Ohioans.

For the last 30 years, Carl and Judy Rudd have put on a remarkable Christman display at their farm near Blue Creek, Ohio. Rudds' Christman Farm is the largest free outdoor Christmas display in the state of Ohio, with over one mile of pathways covering two hillsides on the farm property. With more than one million lights and a 62-foot-wide Christmas wreath, Rudds' Christmas Farm is truly a sight to behold. And the overall effect is complemented by the sound of Christmas music echoing from the hills.

The Rudds started their Christmas display as a testimony to their deep and abiding Christmas faith. Throughout the farm, there are life-sized religious figures, paintings and slide projections that tell the story of Christmas. They have never asked a penny for admission, and for many years they would take out a loan to finance the display.

This year, Carl and Judy Rudd will welcome the public to their wonderful Christmas Farm for the last time. They have decided that the time has come to retire after organizing their Christmas display for 30 years.

All of us in Southwest Ohio wish to share our appreciation to Carl and Judy Rudd for the Christmas joy they have brought to entire generations. And we wish them the best for a healthy and enjoyable retirement.

INTRODUCTION OF THE INTERNATIONAL MONETARY STABILITY ACT OF 2000

HON. PAUL RYAN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. RYAN of Wisconsin. Mr. Speaker, today I am introducing the International Monetary Stability Act of 2000. This bill would give countries who have been seriously considering using the U.S. dollar as ther national currency the incentive to do so. When a foreign country grants the U.S. dollar legal tender in replace of its own currency, that country dollarizes. This bill would serve to encourage such dollarization.

Up to this point, the United States has been missing one of the best opportunities to correct chaotic currency markets, especially in the Western Hemisphere. Sound currency policies, such as dollarization, that focus on exchange rate stabilization would put an end to the debilitating and periodic collapse of developing countries caused by haphazard devaluation.

Congressional leadership in exchange rate policies would protect our own economy. Every devaluation affects our economy through international trade and through the equity markets. American companies need reliable currencies to make investment decisions abroad; and American workers need to know countries cannot competitively devalue in an effort to lower foreign worker wages. The ramifications of an Asian-style economic collapse in Latin America, our own back yard, call for legislation that will help these countries embrace consistent economic growth.

Today, several countries are already considering dollarization. They realize that by either linking with the U.S. dollar, legalizing competing foreign currencies, or scrapping their currency altogether and replacing it with the dollar, they will encourage long-term economic stability through lower interest rates, stable exchange rates and increased investment.

Official dollarization, such as is encouraged by this bill, is not a new idea. In fact, it is becoming an increasingly popular answer to currency stabilization in emerging markets. Argentina is seriously considering such a currency reform. Mexico, Ecuador, and El Salvador have also considered dollarization.

Enacting this legislation would set up a structure in which the U.S. Treasury would have the discretion to promote official dollarization in emerging market countries by offering to rebate 85 percent of the resulting increase in U.S. seigniorage earnings. Part of the remaining 15 percent would be distributed to countries like Panama that have already dollarized, but the majority of the 15 percent would be deposited at the Treasury Department as government revenue. Additionally, this bill would make it clear that the United States has no obligation to serve as a lender of last resort to dollarized countries, consider their economic conditions in setting monetary policy or supervise their banks.

I strongly believe that strengthening global economies, especially those in the Western Hemisphere, by encouraging dollarization is in America's best interest.

RECOGNIZING LEXMARK INTERNATIONAL'S EXCELLENCE IN ENVIRONMENTAL PROTECTION

HON. ERNIE FLETCHER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. FLETCHER. Mr. Speaker, I would like to commend Lexmark International, an excellent corporate constituent headquartered in my District, that embodies the entrepreneurial spirit as well as the environmental consciousness required by a global corporation.

Lexmark received the Kentucky Governor's Environmental Excellence Award on November 9, presented by Lt. Gov. Steve Henry and James E. Bickford, Secretary of the Natural Resources and Environmental Protection Cabinet, at the Governor's Conference on the Environment.

Lexmark International was selected to receive this year's Environmental Excellence Award for Industrial Environmental Leadership because of the many steps it has taken to prevent pollution and encourage recycling. Since 1991, Lexmark has increased the amount of materials it recycles by about 70 percent. Last year, this Lexington-based company recycled more than 4.3 million pounds of paper and one million pounds of scrap metal.

Lexmark encourages its customers to recycle by offering them an incentive to return their empty laser printer cartridges through its Prebate program. Since the incentive began, Lexmark says that returns of empty toner cartridges have tripled, saving them from ending up in landfills.

As we recognize America Recycles Day this week, I urge my colleagues and our constituents to help encourage environmental protection both at home and at work. I offer my congratulations to Lexmark International for setting such a positive example for others to replicate.

COURAGE

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. SANDERS. Mr. Speaker, I am inserting this statement regarding my constituent, Gordon D. Ladd, which shows the courage and perseverance he displayed in organizing the first union in northern Vermont in the 1940s, into the CONGRESSIONAL RECORD as I believe the views of this person will benefit my colleagues.

GORDON D. LADD—FIRST PRESIDENT OF IAM LODGE IN DERBY LINE VERMONT ORGANIZING A UNION IN VERMONT IN THE 1940'S

In 1943 I requested an interview with the superintendent of management at Butterfield Corporation in Derby Line Vermont to request a wage increase and my request was denied emphatically. I informed him that I would return.

I met a friend of mine who used to be a coach, a hockey coach, and he had relatives in the plant. This guy I met, Bert, you could call him, he was a machinist for the railroad in Island Pond, and he belonged to the machinist's union. So he asked if we had a union up there and what the wages were. We were good friends, he was coach for a long time, but anyway, I told him that wages were very low at my workplace, and he said ''Well, do you think they would be interested in the union?''. I said ''Well, yeah I'll talk to a few.'' So, I did.

When I went up to see the boss that first time he asked me what I was making. I told him ''65 cents an hour''. I had started at 45 cents and worked three years—I got a 10 cent raise each year. And it was 65 cents, and he, ah, he's a rough little character, he slammed his fists down on his desk and he says ''by god,'' he says, ''that's the highest we will ever pay at this plant''. So then I got up and said ''We'll see about that, and I'll be back.''

So now I went to the shop, talked to several guys, they were all interested, all enthused about it, and said they would support a union. So then I get back to Burt at Island Pond, and told him to send us up a representative. It was then less than a week and the Machinist representative had arrived from Albany, New York. And he talked to me, he came to the house a few times, and then we called a meeting, and, more and more, one meeting after another, at first it was a small amount, a few men, but then they got bigger and bigger crowds.

Management of course fought us tooth and nail. Well, one thing I can remember in particular. The general foreman, he was under the superintendent, he was putting something on the union representative's car, on the front end of it, come to find out, spikes on a rope. And he was seen doing that, and we called him on it, but he denied it of course. You see they hit just right and they could blow the tires.

They did little annoying things. They'd send us one of these, what we'd call suckers down, always coming down and talking to me, trying to find out things, you know. I just told them I knew nothing. Another one of these superintendents came down one day and says ''We know you're the head of the union,'' and I said ''I've got a perfectly good right to according to the laws''. And he didn't have too much more to say.

We also learned that the company had hired an electrician for the purpose of organizing against the union, see he was a company plant. So he got up and threw a scare, said that if we had a union we would lose our bonus, a 10% bonus every six months. So that killed the first drive right there, see. And they tried every little trick, they sent the people down that I knew, they'd come down and fish around, try to get information from me. Then they called me, offered me 10 cents an hour more, if I'd stop the union organizing. ''We'll give you 10 cents an hour raise, but I want you to keep it quiet, I don't want you to tell anybody.'' Then they'd say, ''If you tell me the guys that are dissatisfied in the shop, give me their names, we'd give them 15 cents an hour more.'' And I said ''Just a minute, if everybody gets 15 cents and hour we'll go along with it, but other than that,'' I said, ''no way''. You can pick out a few, that would just start trouble.

So then we call the meeting, the machinist's union, and we get a hall and call the meeting, and that was the one where we lost the election the first time.

I don't remember the exact vote total but it was close. But then comes the good part. We later learned that the company sent down foremen and group leaders and had them vote too. But the fact is they shouldn't have been able to vote because they were management. They even sent down 3 or 4 women down from the office to vote, and the vote was for production workers and these were office workers. They shouldn't have been able to vote either but management wanted more to go in the ballot box.

So we petitioned for another election. And once again during the vote the company starting sending down foremen and group leaders to vote. But this time our union representative said no way. The Labor Board Representative was there and we challenged the right of these supervisory men to vote. The Board Representative put those votes, I think there were 26 of them, in a special envelope. This time we won the election by a pretty good margin. That was in 1944.

Another little thing here. I was in a barber shop and the big shot manager from the venier mill came in. My barber was my landlord, we were renting the house, and he asked me something about the union. And this management guy from the mill, he says ''That union'' and he used a few cuss-words ''won't last six months!'' Well it's a 55 year later and the union's still there. But the funny part is, in about a year and a half, they plopped the union in at the venier mill.

Well, the main thing at my plant was wages, because plants in the state, we checked around a little bit and some of the plants were paying, at that time, double what we were getting. We checked around, because some of the guys, neighbors in Newport were working down in the Springfield machine shops, at places like Jones-Lampson. When we heard what they were getting, we thought ''Well, we should be getting about the same.''

I was elected as the first president of the union lodge in 1944 and served for seven years. We did pretty good with improving wages and getting benefits—we got health insurance, a pension plan. I've collected from the pension plan for 19 years now, and we got pretty good medical. We didn't have either before the union. It definitely pays to be union.

A BAD WEEK FOR ISOLATIONISTS

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. OXLEY. Mr. Speaker, for those who might have missed it, I would like to bring to the attention of my colleagues a piece by David Ignatius from Wednesday's Washington Post.

As a strong supporter of free trade, I share Mr. Ignatius's optimism at the agreement reached earlier this week for China to join the World Trade Organization. As foreign trade becomes increasingly important in the developing global economy, we must work to ensure open access to the emerging Chinese markets, especially in the areas of financial services and telecommunications. This agreement will give that access to American companies. I salute Trade Representative Barshefsky on her hard work at achieving this agreement under difficult circumstances.

I also agree with Mr. Ignatius's view that the agreement does not go far enough. As a member of the congressional delegation to the WTO Ministerial in Seattle later this month, I will work to restore some of the more favorable aspects of the agreement rejected by the President in April.

I commend Mr. Ignatius's article to my colleagues' attention.

[From the Washington Post, Nov. 17, 1999]

A BAD WEEK FOR ISOLATIONISTS

If you believe that international engagement is America's best hope for the future, then this is a week to savor. For beyond the

headlines, you can see the possibility for a restoration of the confident, outward-looking U.S. consensus that our history teaches is a requirement for global peace and prosperity.

The cornerstone of this renewed embrace of America's global role is the deal reached early Monday in Bejing for China to join the World Trade Organization. President Clinton let this agreement slip away last April, because of fears about the anti-international know-nothingism that seemed to have infected Congress. That was one of the biggest mistakes of his presidency, and he has commendably been trying ever since to walk it back.

The deal Clinton got Monday isn't quite as good as the one he backed away from before, but it's good enough. What's better is the new confidence among free traders that they can win the political argument, on Capitol Hill and around the country.

Treasury Secretary Lawrence Summers puts the case for the WTO deal simply and starkly: Twice in this century, changes in the economic balance of power have led to wars—first with the rise of Germany before World War I and later with the rise of Japan. Now the world economic order is changing once again, with the emergence of Beijing as an economic superpower. It is overwhelmingly in America's interest to draw this modernizing China into the global economic system.

Americans who are confident about the world-changing power of our capitalism and democracy will welcome the agreement. China will now have to live by the free-market rules of the WTO. It will have to accept international investments in its major industries, including banking and telecommunications; it will have to abide by international arbitration of its trade disputes; it will have to accept the Internet and its instantaneous access to information. If you can devise a better strategy for subverting Communist rule in China, I'd like to hear it.

What makes the anti-WTO camp so nervous? It must be the fact that we're living in a time of economic upheaval. As the global economy becomes more competitive, the rewards for success become greater, and so do the penalties for failure. Optimists embrace this future, while pessimists seek protection from it.

Fear of the future: That's the shared characteristic of the new anti-internationalists—from Pat Buchanan on the right to AFL–CIO president John Sweeney on the left. They seem to believe that every new job in China will mean one less in America. Thank goodness economics doesn't work that way. The evidence is overwhelming that global prosperity creates new markets, new demand—and more prosperity for all of us.

That doesn't mean that there won't be losers—there will be and the U.S. textile industry and some blue-collar traders will undoubtedly be among them. But in macro terms, this is a pie that gets bigger, a game where two sides can win.

The administration's most articulate champion for this kind of internationalism is Summers. And it must be said that the new Treasury Secretary is cleaning up some of the unfinished business left by his predecessor, Robert Rubin.

Summers helped rescue the WTO agreement with a trip last month to Beijing, where he met with Zhu Rongji, the Chinese prime minister. Summers told him that ''we wanted a deal, but it would have to be on commercial terms. . . . We would both have to make concessions on percentage points.'' Thanks to hard bargaining by U.S. trade negotiator Charlene Barshefksy, that's essentially what happened.

This week brought other signs of renewed political support for a pragmatic internationalism. the administration cut a deal with House Republicans that will allow the United States to pay nearly $1 billion in back dues to the United Nations, in exchange for a ban on funding any international organization that promotes abortion.

Summers has worked hard to include debt relief for the world's poorest nations as part of the U.N. funding deal, and his mostly succeeded. Wealthy lenders will take a hit under this agreement, while poverty-stricken nations will get a break. That sounds like the right kind of bargain.

Another step in the internationalist revival could come next month when Summers pitches European nations to accept some new rules for the International Monetary Fund. He'll urge that the IMF support either tough fixed exchange-rate plans or genuinely free floating rates—but not the muddled in-between schemes that have gotten so many countries in trouble. He'll also urge a new IMF assessment system to detect when countries' short-term liabilities are rising toward the danger point. And in light of the recent Russian fiasco, he may argue that countries should accept outside audits as a condition of receiving IMF funds.

Some Americans still believe that ''IMF,'' ''free trade'' and ''WTO'' are dirty words—symbols of an elitist conspiracy that will harm ordinary Americans. This view is dangerously wrong, and it was good to see it losing ground this week.

CELEBRATING THE LIFE OF MR. LAURIE CARLSON

HON. TAMMY BALDWIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Ms. BALDWIN. Mr. Speaker, I rise to honor and commend the life of Mr. Laurie Carlson and to extend my personal sympathies to his family and friends in his passing. Mr. Laurie Carlson worked to enhance the lives of many citizens of Wisconsin over the years. He was the founder of the Wisconsin Progressive Party in 1934 and was elected to the Wisconsin State Assembly in 1936, where he served for three terms. He then continued his life of dedication to public service as the Clerk of Courts for Dane County for another four terms.

Mr. Carlson's simple message and instructions on, ''How to get the Voters Involved'' is one that I deeply respect and identify with. In this message he spoke of town meetings and always maintaining a strong personal connection to constituents. Upon reflection on his time in public service Mr. Carlson was quoted as saying, ''Shoe leather is cheap. We would go out and meet people. We would get ideas from them.'' He also believed that a strong focus on the issues, as well as on true bipartisanship would help Wisconsin and the Nation move forward.

Mr. Carlson's political achievements were numerous and great, but there was also much more to this wonderful man. He was a devoted husband and proud father of four children. His commitment to his wife Helen and his children—Mary, Jay, Laurene, and Geraldine, was first and foremost in his life. Mr. Carlson was also a dedicated friend and community member. He tirelessly worked to share his knowledge and leadership in order to assist others to become successful. He empowered many people to prosper in business and countless other ventures while always maintaining his commitment to those less fortunate in our society.

Mr. Speaker, I ask you and my colleagues to honor this fine gentleman for his life commitment to public service.

RECOGNITION OF THE UKRAINIAN FAMINE OF 1932

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. BONIOR. Mr. Speaker, the Ukrainian famine of 1932–33 stands as one of the most tragic events of this century. Millions of Ukrainian men, women and children starved to death in one of the cruelest acts of inhumanity ever recorded.

The rich and productive soil of Ukraine once fed the world. Ukraine was known then as the breadbasket of Europe. It was inconceivable that in 1932 peasants would be forced to scavenge in harvested fields for food and that their diets would be reduced to nothing but potatoes, beets and pumpkins. Instead of planting seeds for the next crop, peasant were reduced to feeding those seeds to their children. As a result, little grain was harvested for the next crop, and the situation grew worse.

Peasants began leaving Ukraine, trying to search for food in Russia and other neighboring territories, but they were turned back.

Soon, millions began to starve to death.

As many as ten million people may have died in this famine. That's fully one-quarter of the people in rural Ukraine. The Kremlin was starving the people of Ukraine to death because Josef Stalin and the Soviet dictators wanted to avoid mass resistance to collectivization. So they killed the peasants—slowly, deliberately and diabolically through mass starvation.

The West did little at the time to put an end to the man-made famine. They continued to buy grain at cheap prices from Russia, taking more food away from the Ukrainian people.

We should never forget this tragedy. Today we honor the memory of the millions of victims. And we support the efforts of the people of Ukraine, who were subjected to the famine and to decades of oppressive Soviet rule, as they continue on their path to democracy, respect for human rights, and economic progress.

Mr. Speaker, I urge my colleagues to support this important resolution and stand together with the people of Ukraine.

H.R. 3446, SURFACE TRANSPORTATION BOARD REFORM ACT OF 1999

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. OBERSTAR. Mr. Speaker, I am introducing today H.R. 3446, the Surface Transportation Board Reform Act of 1999.

The Surface Transportation Board has been a troubled agency since its creation at the end of 1995.

First, the Board approved a huge merger between the Union Pacific and Southern Pacific railroads. Shippers were promised dramatically improved service. Instead, a year later, they got the biggest rail service meltdown in history. Two years later, the service crisis is over, but there are precious few signs that shippers are getting better service. Clearly, however, they are getting fewer choices and less competition.

Last year, the Board approved another huge restructuring of the industry when it allowed Conrail to be divided between Norfolk Southern and CSX. After spending a year planning the transaction so as to minimize adverse consequences, the transaction became effective on June 1st, and service almost instantly collapsed. While service in some areas has recovered, many shippers still cannot move their goods and are losing business to their competitors because they had the bad luck to be served by Norfolk Southern and CSX.

Clearly, the Board has failed to analyze rail transactions adequately to avoid these service disasters. Because of the reduced competition that has resulted from these mergers, the Board needs to provide more aggressive support to shippers who come to the Board for relief from high rates and poor service. This bill directs the Board to move in that direction. Shippers also need more competitive options without having to go to the Board. The bill's provisions on bottlenecks, terminal access, and reciprocal switching would allow shippers to avoid the adverse effects of mergers by getting more competitive service without seeking rate relief from the Board.

Second, the Board has continued the established policy of its predecessor in allowing railroads to abrogate their collective bargaining agreements as a ''reward'' for undergoing a merger. For 63 years, from 1920 to 1983, the Interstate Commerce Commission held to the sensible view that the rather vague language in its statute did not entitle railroads to walk away from their signed contracts. In 1983, the Reagan-era ICC voted to ignore its precedents and adopt a new interpretation that was totally at variance with Congressional intent and sound policy. The Board appointed by the current Administration, rather than return to the sensible precedents of the past, has followed the misguided policy adopted by its immediate predecessors. Instead of using the discretion that the statute gives them, the Board has written to the Congress and invited us to change the statute to save us from themselves, and prevent them from continuing to pursue this regressive policy.

This bill is a first step in that direction.

Title I of this bill proposes a series of measures to enhance rail competition. It clarifies the Rail Transportation Policy to make clear that competition is the ''primary objective'' to be pursued by the Board. It corrects the Board's ''bottleneck'' decision, which says that, even if a railroad monopolizes only part of the route along which a shipper wishes to transport a shipment, it can effectively monopolize the whole route, because the railroad can refuse to offer to ship along only part of the route.

The bill also makes it easier to secure competing rail service in terminal areas, and by reciprocal switching.

It codifies the one recent decision by the Board that has benefited shippers, namely the December 1998 decision on ''product'' and ''geographic'' competition.

It ends the ludicrous annual charade in which the Board examines the books of railroads that are raising billions of dollars in the capital markets and concludes that they are earning inadequate revenues.

It provides relief for small captive grain shippers by reducing the fees they must pay to protest rate and simplifying the process of determining a rate to be unreasonable. It also provides them with some assurance that they will be able to get enough cars to move out their grain each year.

The bill also requires submission of monthly service quality performance reports by the railroads, so the Board can do a better job of monitoring the industry's performance.

The bill's labor provisions in Title II end any authority of the Board to abrogate collective bargaining agreements, or to authorize a railroad or anyone else to do so. The bill strictly limits the preemption of other laws that is allowed in connection with railroads mergers, restricting this preemption to State and local laws that regulate mergers, and restricting this preemption in time to one year after the railroad takes possession of the acquired property.

The bill also clarifies the status of labor protection for railroad employers. The current statute confusingly defines labor protection in terms of the labor protection once received by Amtrak employees, whose statutory labor protection was taken away by the 1997 Amtrak reauthorization bill. Today's bill makes clear that railroad employees receive six years of labor protection if they are laid off as the result of a merger. While employees in other industries are not given labor protection like this, employees in other industries are entitled to strike if they cannot reach agreement with their employer on a contract. Since World War II, railroad employees have been denied the right to strike by repeated congressional interventions every time a strike is threatened. It is only fair, if employees are not entitled to strike, that they at least be compensated if they lose their jobs as the result of a merger.

Title III of the bill has several other significant provisions. The bill corrects an historical oversight by giving commuter railroads the same access to freight railroad rights-of-way that Amtrak has. When Amtrak was created in 1971, the Nation's private railroads were relieved of their common carrier obligation to provide passenger service—both intercity and commuter service. In return for being relieved of this common carrier obligation, the railroads were required to provide Amtrak with guaranteed access to their rights-of-way, but, in an oversight, the Nation's commuter railroads—which provide equally essential passenger service—were not given the same guaranteed access. This bill corrects that oversight by giving commuter railroads the same guaranteed access that Amtrak has.

The bill also gives special consideration to local communities and to passenger railroads in the Board's merger decisions. The Board has often given short shrift to the legitimate concerns of these parties in approving mergers, and has not imposed conditions that are necessary to protect their legitimate interests.

The bill also corrects an anomaly that was inserted in the statute by the 1995 ICC Termination Act. That bill preempted the authority of states to regulate the construction or abandonment of ''spur, industrial, team, switching, or side tracks,'' but it did not give corresponding authority to the Surface Transportation Board. The result was a regulatory black hole, where such facilities could be built or abandoned without regulation either by local zoning regulations or by Federal environmental regulations. If these facilities were only minor railroad spurs, this would perhaps be acceptable, but the term ''switching tracks'' has been interpreted by the Board to include railroad yards occupying hundreds of acres. Not only can the railroads built these yards without any regulatory interference, they can also use their eminent domain authority to force landowners to sell them the land. This provision should never have been in the statute, and this bill repeals it, giving regulatory jurisdiction to the STB.

The bill also eliminates tariff filing for water carriers in the domestic offshore trades serving Alaska, Hawaii, Puerto Rico, and Guam. These carriers are directed to make their tariffs available electronically, just as water carriers in the U.S. foreign trades were in the Ocean Shipping Reform Act.

Finally, the bill reauthorizes the STB for three years, from fiscal year 2000 to fiscal year 2002, with authorized appropriations rising from $17 million in FY 2000 to $25 million in FY 2002. In view of its inability to respond promptly to shipper rate protests (documented in a GAO report earlier this year) and its inability to oversee the results of its merger decisions, the Board clearly needs additional resources. We can only hope that this bill will be enacted and that the Board will use these resources effectively.

COMMEMORATING THE WORK OF GENERATION EARTH

HON. LUCILLE ROYBAL-ALLARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Ms. ROYBAL-ALLARD. Mr. Speaker, it gives me great pleasure to come to the floor of the House to recognize the Los Angeles County Department of Public Works for its Generation Earth Program.

Generation Earth is an environmental program of the Los Angeles County Department of Public Works and presented by TreePeople. The program educates and empowers secondary school students in Los Angeles county to be an active part of the solution to minimize use of landfill space and understand their role in reducing pollutants from entering our waterways by proper disposal methods. Through a hands-on approach, students learn that the local environment is part of their everyday life, and that everyday decisions, choices and actions make a difference to the health of our environment.

TreePeople, is one of Los Angeles' oldest and most successful locally based nonprofit environmental education group. Since 1996, it has worked under the direction of the County of Los Angeles Department of Public Works Environmental Programs Division to create Generation Earth, the state's most effective secondary school environmental education program.

Generation Earth is a highly successful program with measurable milestones backed by research reviewed by educational experts. The classroom curriculum was designed to fit any

academic discipline. It meets the curriculum objectives of language arts classes, math, science, social studies and history.

By providing opportunities for young people to improve their quality of life and challenge them as they apply lessons learned in school, Generation Earth is an important catalyst for the people of Los Angeles. Thanks to Generation Earth, Los Angeles County teenagers are beginning to learn that they can make a positive difference in their surroundings.

I hope my colleagues will join me in commending Generation Earth for its leadership in developing a successful comprehensive approach to environmental education.

RECOGNIZING THE PARTICIPATION OF MS. JOANNA MANUEL IN THE VOICES AGAINST VIOLENCE CONGRESSIONAL TEEN CONFERENCE

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. UNDERWOOD. Mr. Speaker, last month, 342 teenagers from throughout the country came to Capitol Hill to attended the Voices Against Violence Conference regarding youth violence. During the two days, the teenagers had unique opportunities to express their views on youth violence to Members, learn from national law enforcement and youth programming experts, and participate in workshops covering a variety of issues including diversity training, peer mediation, and hate crime prevention strategies. Supporting agencies and organizations included the U.S. Department of Justice, the National Crime Prevention Council, the American Mental Health Association, MTV, and the Children's Defense Fund.

I felt it was important for a young person from Guam to participate in this conference to ensure that the diversity of perspectives of youth violence included teens from the furthest American jurisdiction. I was proud that Ms. Joanna Manuel, a sophomore attending Simon Sanchez High School, was Guam's representative to the conference. During her visit, Joanna gained practical knowledge about violence prevention initiatives and helped to explore the causes, needs and solutions to the problems of youth violence which continues to impact our society. Joanna proved to be a valuable contributor and an able spokesperson for Guam's youth.

The two day conference resulted in the introduction of House Resolution 357, which represents the views of the 342 conference participants and provides their collective views of the causes and solutions to youth violence. The measure was introduced by Democratic Leader RICHARD A. GEPHARDT, myself, and 94 other co-sponsors.

I am hopeful that Joanna will continue to be involved in the issue of youth violence and help raise community awareness and activity. It is evident from the outcome of the Voices Against Violence conference, that we can look to America's youth for solutions and guidance to understand why violence happens and what we can do to avert it.

For the record, I am submitting an essay written by Ms. Joanne Manuel giving her views on the causes of violence among teenagers.

WHAT DO YOU FEEL ARE THE CAUSES OF VIOLENCE AMONG TEENAGERS TODAY?

As anyone who listens to the radio, watches television, or reads the newspaper knows, violence has become a cause for nationwide and worldwide concern. Of particular concern is the alarming increase in violence among children and youth. The rates of youth-initiated violent crimes are rising dramatically, as are the numbers of young victims. Many teens are pressured into doing things they don't want to do. One of the hardest parts of growing up, is the same today as it has been for years, peer pressure. It is a part of every teenager's junior and high school years. Some peer pressure is actually quite good in working towards developing a teen's recognition of right and wrong. Negative peer pressure, the kind we most commonly associate with the concept, can be devastatingly corruptive. Positive and negative pressure are two totally different things. Positive pressure includes encouragement to try out for the school play, or challenges to study harder. Negative peer pressure includes encouragement to use drugs, to smoke, or other things that harm. Positive pressure has many benefits such as helping teenagers develop a sense of morality. Part of being a teen involves learning to make decisions. One of the things that affects decision-making is pressure from friends. Teens should make decisions based on their own morals and values. Daily, teens are persuaded to participate in activities that statistics report may harm their well-being. These activities include: smoking, drinking, using drugs, having premarital sex, and even cheating on schoolwork. Many teens are pressured into taking drugs and smoking by ''friends.'' Teens today need to learn to make their own decisions and say no to drugs, smoking, and other things they know can harm them. Our communities and schools have to work together to help prevent negative peer pressure between teenagers. There are many other things that cause violence among teens today. Troubled teens are gradually increasing these days and many are caused by problems stemming from home. Counseling is a great way to find the problem and solve it before other problems arise. While I was in middle school, we had a peer counseling system. Students who needed help or just needed someone to talk to would go to the counselor's office and fellow students would talk and lend a helping hand. It was a great system and it worked. I think that the government should set aside some money to establish and maintain this type of system in every school in the nation and maybe even worldwide. We all have to work together to make a brighter future for all of us and the generations to come.

FREEDOM OF THE PRESS SLIPPING IN HONG KONG

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. PORTER. Mr. Speaker, I am greatly concerned over the growing reports from Hong Kong that freedom of the press is increasingly at risk under Chinese rule. When Hong Kong was turned over to China in July of 1997, it was to become one country but remain two systems. Unfortunately, after less than two and a half years, we are already seeing example after example of Beijing's power and its communist values being exhibited throughout Hong Kong and imposed on the citizenry.

The most recent example of this clampdown was the abrupt reassignment of the well-respected, outspoken director of the government owned Radio/Television Hong Kong, Cheung Man-yee last month. Ms. Cheung was named economic and trade representative to Japan, a post equivalent to that of ambassador. This action took place just days after she drew a rare public rebuke from the Chinese Deputy Prime Minister, Qian Qichen. Recently, the station had also aired a senior Taiwanese official seeking to explain President Lee Teng-hui's shift in policy toward China.

The Hong Kong government is becoming increasingly critical of all local media. Statements from the chief of executive of Hong Kong, Tung Chee-hwa such as ''while is freedom of speech is important, it is also important for government policies to be positively presented,'' show the direction in which freedom of the press is headed.

This ''reassignment'' of a qualified journalist is a scary first step. The international community must stand up and take notice when the slipping away of a vital freedom begins. The freedom of the press is the cornerstone of a strong democracy. If Hong Kong loses its free press, I have great fear for what is next.

THE TRUE GOAL OF EDUCATION

HON. JAMES M. TALENT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. TALENT. Mr. Speaker, I insert the following eloquent speech entitled ''the True Goal of Education'' into the CONGRESSIONAL RECORD.

THE TRUE GOAL OF EDUCATION

(By Gov. George W. Bush)

It is a pleasure to be here, and to join in marking the chamber's Business Appreciation Month. New Hampshire is a state of small businesses. Many of them here in the north country are prospering, and this organization has played an important part. I am honored by your invitation.

I am an optimist, I believe that the next century will be a time of incredible prosperity—if we can create an environment where entrepreneurs like you can dream and flourish. A prosperity sustained by low taxes, unleashed by lighter regulation, energized by new technologies, expanded by free trade. A prosperity beyond all our expectations, but within our grasp.

But this hope, in the long-run, depends directly on the education of our children—on young men and women with the skills and character to succeed. So for the past few months, I have focused on the problems and promise of our public schools.

In September, I talked about disadvantaged children left behind by failed schools. The diminished hopes of our current system are sad and serious—the soft bigotry of low expectations. Schools that do not teach and will not change must have some final point of accountability. A moment of truth, when their federal funds, intended to help the poorest children, are divided up and given to parents—for tutoring or a charter school or some other hopeful option.

Last month, I talked about raising the academic ambitions of every public school in America—creating a culture of achievement. My plan lifts the burden of bureaucracy, and gives states unprecedented freedom in spending federal education dollars. In return for

this flexibility, each state must adopt a system of real accountability and high standards. Students must be tested on the basics of reading and math each year—and those results posted, by school, on the Internet. This will give parents the information to know if education is actually taking place—and the leverage to demand reform.

My education proposals are bound by a thread of principle. The federal government must be humble enough to stay out of the day-to-day operation of local schools. It must be wise enough to give states and school districts more authority and freedom. And it must be strong enough to require proven performance in return. The federal role in education is to foster excellence and challenge failure with charters and choice. The federal role in education is not to serve the system. It is to serve the children.

Yet this is only part of an agenda. Yes, we want our children to be smart and successful. But even more, we want them to be good and kind and decent. Yes, our children must learn how to make a living. But even more, they must learn how to live, and what to love. ''Intelligence is not enough,'' said Martin Luther King, Jr. ''Intelligence plus character—that is the true goal of education.''

So today, here in New Hampshire, I want to make the case for moral education. Teaching is more than training, and learning is more than literacy. Our children must be educated in reading and writing—but also in right and wrong.

Of course, every generation worries about the next. ''Children today are tyrants,'' said one educator. ''They contradict their parents, gobble their food, and tyrannize their teachers.'' And that teacher's name was . . . Socrates.

Some things don't change. The real problem comes, not when children challenge the rules, but when adults won't defend the rules. And for about three decades, many American schools surrendered this role. Values were ''clarified,'' not taught. Students were given moral puzzles, not moral guidance. But morality is not a cafeteria of personal choices—with every choice equally right and equally arbitrary, like picking a flavor of ice cream. We do not shape our own morality. It is morality that shapes our lives.

Take an example. A Massachusetts teacher—a devoted supporter of values clarification—had a sixth grade class which announced that it valued cheating, and wanted the freedom to express that value during tests. Her response? ''I personally value honesty,'' she said. ''Although you may choose to be dishonest, I will insist that we be honest on our tests here. In other areas of your life, you may have to be dishonest.''

This is not moral neutrality. It is moral surrender. Our schools should not cultivate confusion. They must cultivate conscience.

In spite of conflicting signals—and in spite of a popular culture that sometimes drowns their innocence—most of our kids are good kids. Large numbers do volunteer work. Nearly all believe in God, and most practice their faith. Teen pregnancy and violence are actually going down. Across America, under a program called True Love Waits, nearly a million teens have pledged themselves to abstain from sex until marriage. Our teenagers feel the pressures of complex times, but also the upward pull of a better nature. They deserve our love and they deserve our encouragement.

And sometimes they show character and courage beyond measure. When a gun is aimed at a seventeen-year-old in Colorado—and she is shot for refusing to betray her Lord. When a seventeen-year-old student, during a madman's attack on a Fort Worth church, is shot while shielding a friend with Downs Syndrome—and continues to comfort her, even after her own injury. We are finding, in the midst of tragedy, that our children can be heroes too.

Yet something is lost when the moral message of schools is mixed and muddled. Many children catch a virus of apathy and cynicism. They lose the ability to make confident judgments—viewing all matters of right and wrong as a matter of opinion. Something becomes frozen within them—a capacity for indignation and empathy. You can see it in shrugged shoulders. You can hear it in the watchword of a generation: ''Whatever,''

Academics like Professor Robert Simon report seeing many students—nice, well-intentioned young men and women—who refuse to make judgments even about the Holocaust. ''Of course I dislike the Nazis,'' he quotes a student, ''but who is to say they are morally wrong?''

At the extreme, in the case of a very few children—lawless, loveless and lonely—this confusion can harden into self-destruction or evil, suicide or violence. They find no elevating ideals—from parents or church or school—to counter the chaos in their souls. ''We laugh at honor,'' said C.S. Lewis, ''and are shocked to find traitors in our midst.''

But something is changing in this country. Perhaps we have been sobered by tragedy. Perhaps the Baby Boom generation has won some wisdom from its failures and pain. But we are no longer laughing at honor. ''Values clarirfication'' seems like a passing superstition. Many states have instituted real character education in their schools, and many more are headed in that direction. After decades of drift, we are beginning a journey of renewal.

Above all, we are relearning a sense of idealism for our children. Parents and teachers are rediscovering a great calling and a heavy burden: to write on the slate of souls.

We must tell our children—with conviction and confidence—that the authors of the Holocaust were evil men, and the authors of the Constitution were good ones. That the right to life, liberty and the pursuit of happiness is not a personal opinion, but an eternal truth.

And we must tell our children—with clarity and certainty—that character gives direction to their gifts and dignity to their lives. That life is too grand and important to be wasted on whims and wants, on getting and keeping. That selfishness is a dark dungeon. That bigotry disfigures the heart. That they were made for better things and higher goals.

The shape of our society, the fate of our country, depends on young men and women who know these things. And we must teach them.

I know this begins with parents. And I know that is easy for a politician to say. Mark Twain once commented, ''To do good is noble. To instruct others in doing good is just as noble, and much easier.'' But the message of our society must be clear. When a man or woman has a child, being a father or mother becomes their most important job in life. Not all teachers are parents, but all parents are teachers. Family is the first school of manners and morals. And the compass of conscience is usually the gift of a caring parent.

Yet parents should expect schools to be allies in the moral education of children. The lessons of the home must be reinforced by the standards of the school—standards of safety, discipline and decency.

Effective character education should not just be an hour a week on a school's virtue of the month. Effective character education is fostered in schools that have confidence in their own rules and values. Schools that set limits, enforce boundaries, teach high ideals, create habits of good conduct. Children take the values of the adult worlds seriously when adults take those values seriously.

And this goal sets an agenda for our nation.

First, we must do everything in our power to ensure the safety of our children. When children and teenagers go to school afraid of being bullied, or beaten, or worse, it is the ultimate betrayal of adult responsibility. It communicates the victory of moral chaos.

In an American school year there are more than 4,000 rapes or cases of sexual battery; 7,000 robberies; and 11,000 physical attacks involving a weapon. And these are overall numbers. For children attending inner-city schools, the likelihood of being a victim of violence is roughly five times greater than elsewhere. It is a sign of the times that the same security company used by the U.S. Mint and the FBI has now branched out into high-school security.

Surveying this scene, it is easy to forget that there is actually a federal program designed to confront school violence. It's called the Safe and Drug-Free Schools and Communities Act. The program spends about $600 million dollars a year, assisting 97 percent of the nation's school districts.

What's missing from the program is accountability. Nobody really knows how the money is spent, much less whether it is doing any good. One newspaper found that federal money had gone to pay for everything from motivational speakers to clowns to school puppet shows to junkets for school administrators.

As president, I will propose major changes in this program. Every school getting this funding will report their results—measured in student safety. Those results will be public. At schools that are persistently dangerous, students will be given a transfer to some other school—a safe school.

No parent in America—no matter their income—should be forced to send their child to a school where violence reigns. No child in America—regardless of background—should be forced to risk their lives in order to learn.

In the same way, it is a federal crime for a student to bring a gun into any public school. Yet this law has been almost completely ignored by federal prosecutors in recent years. Of some 3,900 violations reported between 1997 and 1998, only 13 were prosecuted. It is easy to propose laws. Sometimes it is easy to pass laws. But the measure of our seriousness is enforcing the law. And the safety of our children merits more than lip service.

Here is what I'll do. We will form a new partnership of the federal government and states—called Project Sentry. With some additional funding for prosecutors and the ATF, we can enforce the law and prosecute the violators: students who use guns illegally or bring guns to school, and adults who provide them. And for any juvenile found guilty of a serious gun offense, there will be a lifetime ban on carrying or purchasing a gun—any gun, for any reason, at any age, ever.

Tougher enforcement of gun laws will help to make our schools safer. But safety is not the only goal here. The excellence of a school is not just measured by declines in robbery, murder, and aggravated assault. Safety is the first and urgent step toward a second order of business—instilling in all of our public schools the virtues of discipline.

More than half of secondary-school teachers across the country say they have been threatened, or shouted at, or verbally abused by students. A teacher in Los Angeles describes her job as ''nine-tenths policeman, one-tenth educational.'' And many schools, intimidated by the threat of lawsuits, have watered down their standards of behavior. In

Oklahoma, a student who stabbed a principal with a nail was suspended for three days. In North Carolina, a student who broke her teacher's arm was suspended for only two days.

In too many cases, adults are in authority, but they are not in control.

To their credit, many schools are trying to reassert that control—only to find themselves in court. Generations of movies from The Blackboard Jungle to Stand and Deliver cast as their hero the teacher who dares to bring discipline to the classroom. But a modern version of this drama would have to include a new figure in the story—the lawyer.

Thirty-one percent of all high schools have faced lawsuits or out-of-court settlements in the past 2 years. This is seriously deterring discipline, and demands a serious response.

In school districts receiving federal school safety funds, we will expect a policy of zero-tolerance for persistently disruptive behavior. This means simply that teachers will have the authority to remove from their classroom any student who persists in being violent or unruly. Only with the teacher's consent will these students be allowed to return. The days of timid pleading and bargaining and legal haggling with disruptive students must be over. Learning must no longer be held hostage to the brazen behavior of a few.

Along with this measure, I will propose a Teacher Protection Act to free teachers, principals and school board members from meritless federal lawsuits when they enforce reasonable rules. School officials, acting in their official duties, must be shielded from liability. A lifetime dedicated to teaching must not be disrupted by a junk lawsuit. We do not need tort lawyers scouring the halls of our schools—turning every classroom dispute into a treasure hunt for damage awards.

Safety and discipline are essential. But when we dream for our children, we dream with higher goals. We want them to love learning. And we want them to be rich in character and blessed in ideals.

So our third goal is to encourage clear instruction in right and wrong. We want our schools to care about the character of our children.

I am not talking about schools promoting a particular set of religious beliefs. Strong values are shared by good people of different faiths, of varied backgrounds.

I am talking about communicating the values we share, in all our diversity. Respect. Responsibility. Self-restraint. Family commitment. Civic duty. Fairness. Compassion. The moral landmarks that guide a successful life.

There are a number of good programs around the country that show how values can be taught in a diverse nation. At St. Leonard's Elementary School in Maryland, children take a pledge each morning to be ''respectful, responsible and ready to learn.'' Character education is a theme throughout the curriculum—in writing, social studies and reading. And discipline referrals were down by 70 percent in one year. At Marion Intermediate school in South Carolina, virtues are taught by studying great historical figures and characters in literature.

Consideration is encouraged, good manners are expected. And discipline referrals are down by half in one year.

The federal government now spends $8 million on promoting character education efforts. My administration will triple that funding—money for states to train teachers and incorporate character lessons into daily coursework.

We will require federal youth and juvenile justice programs to incorporate an element of character building.

Our government must get its priorities straight when it comes to the character of our children. Right now, the Department of Health and Human Services spends far more on teen contraception than it does on teen abstinence. It takes the jaded view that children are nothing more than the sum of their drives, with no higher goal than hanging out and hooking up. We owe them better than this—and they are better than this. They ask for bread, and we give them a stone.

Abstinence programs show real promise—exactly because more and more teenagers understand that true love waits. My administration will elevate abstinence education from an afterthought to an urgent goal. We should spend at least as much each year on promoting the conscience of our children as we do on providing them with contraception.

As well, we will encourage and expand the role of charities in after-school programs. Everyone agrees there is a problem in these empty, unsupervised hours after school. But those hours should not only be filled with sports and play, they should include lessons in responsibility and character. The federal government already funds afterschool programs. But charities and faith-based organizations are prevented from participating. In my administration they will be invited to participate. Big Brothers/Big Sisters, the YMCA and local churches and synagogues and mosques should be a central part of voluntary, after-school programs.

Schools must never impose religion—but they must not oppose religion either. And the federal government should not be an enemy of voluntary expressions of faith by students.

Religious groups have a right to meet before and after school. Students have a right to say grace before meals, read their Bibles, wear Stars of David and crosses, and discuss religion with other willing students. Students have a right to express religious ideas in art and homework.

Public schools that forbid these forms of religious expression are confused. But more than that, they are rejecting some of the best and finest influences on young lives. It is noble when a young mind finds meaning and wisdom in the Talmud or Koran. It is good and hopeful when young men and women ask themselves what would Jesus do.

The measure of our nation's greatness has never been affluence or influence—rising stocks or advancing armies. It has always been found in citizens of character and compassion. And so many of our problems as a nation—from drugs, to deadly diseases, to crime—are not the result of chance, but of choice. They will only be solved by a transformation of the heart and will. This is why a hopeful and decent future is found in hopeful and decent children.

That hope, of course, is not created by an Executive Order or an Act of Congress. I strongly believe our schools should reinforce good character. I know that our laws will always reflect a moral vision. But there are limits to law, set at the boundaries of the heart. It has been said: ''Men can make good laws, but laws can not make men good.''

Yet a president has a broader influence and a deeper legacy than the programs he proposes. He is more than a bookkeeper or an engineer of policy. A president is the most visible symbol of a political system that Lincoln called ''the last best hope of earth.'' The presidency, said Franklin Roosevelt, is ''pre-eminently a place of moral leadership.''

That is an awesome charge. It is the most sobering part of a decision to run for president. And it is a charge I plan to keep.

After power vanishes and pride passes, this is what remains: The promises we kept. The oath we fulfilled. The example we set. The honor we earned.

This is true of a president or a parent. Of a governor or a teacher. We are united in a common task: to give our children a spirit of moral courage. This is not a search for scapegoats—it is a call to conscience. It is not a hopeless task—it is the power and privilege of every generation. Every individual can change a corner of our culture. And every child is a new beginning.

In all the confusion and controversy of our time, there is still one answer for our children. An answer as current as the headlines. An answer as old as the scriptures. ''Whatever is true, whatever is honorable, whatever is right, whatever is pure, whatever is lovely, whatever is of good repute, if there is any excellence and anything worthy of praise, let your mind dwell on these things.''

If we love our children, this is the path of duty—and the way of hope. Thank you.

RECOGNIZING ALZHEIMER'S AWARENESS MONTH

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. MARKEY. Mr. Speaker, November is Alzheimer's Awareness Month—This month we recognize the 4 million Americans victimized by this devastating disease and the family members who are most often their primary caregivers.

Alzheimer's Disease is debilitating, indiscriminate and cruel—it creeps into the brain, captures the mind and renders its victims with impaired judgment, personality change and loss of language and communication skills.

Today, Alzheimer's is on track to wreak havoc as the epidemic of the next century burdening our nation's health care system and leaving millions of American families in emotional and financial ruin. It is predicted that by 2050, 14 million Americans will be afflicted. We need a strategy today.

As part of this strategy, we must recognize that there are thousands of spouses and other family members struggling to provide care for their loved ones in their homes each year. Seven in ten people with Alzheimer's disease live at home. Almost 75% of home care is provided by family and friends placing a tremendous emotional burden on these caregivers and a financial burden averaging $12,500 per at home patient.

Each year, Alzheimer's costs our nation at least $100 billion and American business $33 billion, most of that in the lost work of employees who are caregivers.

It is imperative that we increase the federal commitment to this disease. We must create new programs to relieve caregivers and we must continue our work toward treatment and a cure. Last year the federal government dedicated $400 million to Alzheimer's research, but that's still not enough—the federal commitment to heart, cancer and AIDS research—diseases of comparable cost to our country—is 3 to 5 times higher. Next fiscal year we must increase research dollars for Alzheimer's by $100 million.

Last June—in an effort to encourage legislative solutions to deal with Alzheimer's—I along with my colleague from across the aisle CHRIS SMITH—kicked off the first bipartisan Task Force on Alzheimer's Disease. To date we have 82 members with a goal of reaching 100 by 2000.

The time has come to wage a serious war against Alzheimer's disease. The time has

come to fight for solutions to improve the lives of those affected today and to fight for a cure to save the lives of those who will be affected tomorrow.

CHRISTIAN FAMILY HACKED TO DEATH—RELIGIOUS PERSECUTION CONTINUES IN INDIA—AMERICA MUST SUPPORT FREEDOM FOR KHALISTAN

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. BURTON of Indiana. Mr. Speaker, the Indian Express reported on November 12, 1999 that a Christian family was hacked to death in Jamshedpur. The attackers stormed the house of 35 year-old Santan Kerai, dragging Mr. Kerai, his wife, their two year-old child, and a relative out of the house to murder them. Finally, the mutilated bodies of the Kerai family ''were found on a football field about 100 yards from their house,'' according to the article. The newspaper does not identify the assailants, but the attack is part of the ongoing pattern of repression of Christians in India today.

I have been deeply concerned about recent reports of Hindu activists raping and terrorizing nuns. A nun named Sister Ruby was abducted by Hindu fundamentalists, who stripped her naked and forced her to drink their bodily fluids. They threatened to rape her if she refused.

Earlier this year, Australian missionary Graham Staines and his two young sons were burned alive by members of the Bajrang Dal, which is the youth arm of the openly Fascist organization called Rashteria Swayamsewak Sangh (RSS). The ruling BJP, which leads India's 24-party governing coalition, is the political arm of the RSS.

Since Christmas Day of 1998, Hindu fundamentalists have burned down Christian churches, prayer halls, and schools. Four priests have been murdered, some of them beheaded.

Christians have not been the only target of persecution in India. Sikhs and Muslims are routinely beaten, tortured, and murdered by these radical groups or even Indian security forces.

Mr. Speaker, India is neither secular, nor is it democratic. It is clear that there is no place for religious, linguistic, or ethnic minorities in India. So, it is no wonder that there are seventeen freedom movements in India.

I call on the President to press the Government of India on the issues of human rights and self-determination when he visits the subcontinent next year. If the United States will not speak out for freedom in the world, who will? If we don't press these issues today, when will we? We must do whatever we can to bring freedom to all the people of India.

Mr. Speaker, I would like to place the Indian Express article into the RECORD

[From the Indian Express, Nov. 12, 1999]

CHRISTIAN FAMILY HACKED TO DEATH

JAMSHEDPUR—Four members of a tribal Christian family have been hacked to death by some unidentified people at Peteripa village of west Singhbhum district.

Police said some people had stormed the house of one Santan Kerai (35) at midnight on Wednesday.

The assailant pulled him, his wife and their two-year old child besides one female relative out of the house and killed them with sharp weapons.

The mutilated bodies of Santan, his wife and the child were found on a football ground, about 100 meter away from their house. PTI report.

NONDISCRIMINATORY RETRANSMISSION CONSENT IN H.R. 1554

HON. W.J. (BILLY) TAUZIN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. TAUZIN. Mr. Speaker, as a conferee appointed to H.R. 1554, and as a proponent of competition, I deliberated long and hard to promote increased consumer choice in the video marketplace by strengthening the competitive position of satellite carriers as they go head to head with incumbent cable operators; however, they are not the only competitors in the evolving video marketplace.

Since enactment of the 1996 Telecommunications Act, cable over-builders have acquired franchises all across the country and have begun to operate traditional wireline systems. In addition to these familiar distribution systems, several new digital wireless cable systems, which use microwave frequencies to transmit programming, also offer consumers a competitive alternative.

Although incumbent cable systems still dominate the video distribution market, satellite carriers continue to gain market share and, with the advent of local into local, will see even greater consumer interest in their product.

Unfortunately, the newer entrants—the over builders and the digital wireless providers—still face some pretty stiff obstacles in their efforts to penetrate this market. The single most significant hurdle they face is access to popular programming at fair prices. This issue has long-term significance for video competition and my subcommittee will continue to study this important problem. However, in the short-term, these new competitors are running into serious retransmission consent problems that prevent them from expanding as fast as they would like and that unnecessarily deprive consumers of an alternative choice.

When attempting to renegotiate retransmission consent contracts, these new competitors are told they must take other programming services they do not want. Too frequently, they are told they must purchase a ''bundle'' of programming that includes the broadcast signal they want, but also includes programming in which the broadcaster or his affiliated network has a financial interest. As you might expect, ''bundles'' of programming cost a lot more than a single broadcast signal, and they take up valuable channel space that the new entrants would prefer to use for other programming—programming they choose to carry, not programming they are forced to carry.

The bottom line is that these ''tying'' arrangements are not optional, they are forced on these new entrants as the quid pro quo for obtaining retransmission consent; impose higher programming costs on new entrants that put them at a competitive disadvantage vis a vis established players in the market; and take up valuable channel space which, in the case of wireless operators, is limited to the spectrum space available.

If our efforts to increase consumer choice are to succeed, we must go beyond what we have been able to accomplish in H.R. 1554.

I ask my colleagues to join me in a pledge to reopen the debate about nondiscriminatory retransmission consent and agree to study this matter further to see what additional steps we can take to strengthen the competitive position of all new entrants into the video marketplace. If we succeed, consumers will enjoy lower prices, better service quality and more choice.

IN HONOR OF MAYOR-ELECT JENNIE STULTZ

HON. SUE WILKINS MYRICK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mrs. MYRICK. Mr. Speaker, today I rise in honor of Mayor-elect Jennie Stultz as she prepares to become the first female mayor of Gastonia, North Carolina, in its 122-year history. Her candidacy galvanized middle-aged women and young moms who, local studies indicated, felt disenfranchised in the last municipal elections.

Her campaign to improve the image of the city, which once was chosen as an All American City, resounded with her fellow citizens. I applaud her efforts to promote the City of Gastonia as the friendly, progressive and All American City that she and I know it to be.

Jennie Stultz has dedicated 20 years of her life as a community activist and volunteer. She served as Administrator of Gastonia Clean City, then as Community Relations Director from 1982 to 1997.

She gave of her time and services on numerous civic boards, including the House of Mercy, which assists those with terminal illnesses; the Governor's Council for Children and Youth; and has just completed a term as Chairperson of the Board of Directors of the Gaston Literacy Council, Inc.

Her father, Elmore Thomas, who was stationed overseas during World War II, wrote in a letter dated July 23, 1944: ''When I get back, I might run for mayor of Gastonia. At least, all the boys in the unit say I should.''

I commend Jennie Stultz for carrying on that tradition of service to community and nation for which her father fought and for realizing a long, unfulfilled family dream.

My fellow colleagues, I ask that you join me in saluting a woman who exemplifies the spirit of optimism for the future and the pride of community that prevails in this land. May her tenure bring continued prosperity and pride to the people of Gastonia, North Carolina.

25TH ANNIVERSARY OF THE JOHN H. HARLAND COMPANY DALLAS-AREA FACILITY

HON. RICHARD K. ARMEY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1999

Mr. ARMEY. Mr. Speaker, I rise today to congratulate the John H. Harland Company's Dallas-area Facility on its 25th Anniversary.

The John H. Harland Company is the second largest check printer in the United States and the leading provider of database marketing to financial institutions. Founded in 1923, the John H. Harland Company opened its Dallas facility in 1974. Today, this facility employs 320 people and processes 112,000 orders per week. In April 1997, John H. Harland Company moved into the 26th Congressional District, opening a 83,000 square foot facility in Grapevine, Texas.

Harland's recent move to a regional network of nine production facilities has brought additional work into the Grapevine facility and has contributed to the local economy. It also improves the quality of the company's services and offers greater economic security for its employees and their families.

I offer my sincere congratulations to the employees of this facility and to the John H. Harland Company on this momentous occasion.

Daily Digest

HIGHLIGHTS

Senate agreed to Consolidated Appropriations Conference Report.

First Session of the 106th Congress adjourned sine die.

Senate

Chamber Action

Routine Proceedings, pages S14839–S14893

Measures Introduced: Twenty-eight bills and nine resolutions were introduced, as follows: S. 1971–1998, S. Res. 234–241, and S. Con. Res. 77. **(See next issue.)**

Measures Reported: Reports were made as follows:

S. 795, to amend the Fastener Quality Act to strengthen the protection against the sale of mismarked, misrepresented, and counterfeit fasteners and eliminate unnecessary requirements, with amendments. (S. Rept. No. 106–224) **(See next issue.)**

Measures Passed:

Internet Gambling Prohibition Act: Senate passed S. 692, to prohibit Internet gambling, after agreeing to a committee amendment in the nature of a substitute, and the following amendments proposed thereto: **Pages S14863–70**

Collins (for Kyl/Bryan) Amendment No. 2782, in the nature of a substitute. **Pages S14865–70**

Collins (for Campbell) Amendment No. 2783 (to Amendment No. 2782), to provide for Indian gaming provisions. **Pages S14865–70**

Date-Rape Drug Control Act: Senate passed H.R. 2130, to amend the Controlled Substances Act to add gamma hydroxybutyric acid and ketamine to the schedules of control substances, to provide for a national awareness campaign, after striking all after the enacting clause and inserting in lieu thereof the text of S. 1561, Senate companion measure, after agreeing to committee amendments, and the following amendment proposed thereto: **Pages S14870–77**

Collins (for Hutchison) Amendment No. 2784, to modify the short title **Page S14872**

Subsequently, S. 1561 was placed back on the Senate calendar. **Page S14872**

Electronic Benefit Transfer Interoperability and Portability Act: Committee on Agriculture, Nutrition, and Forestry was discharged from further consideration of S. 1733, to amend the Food Stamp Act of 1977 to provide for a national standard of interoperability and portability applicable to electronic food stamp benefit transactions, and the bill was then passed, after agreeing to the following amendment proposed thereto: **Pages S14877–78**

Collins (for Fitzgerald) Amendment No. 2785, in the nature of a substitute. **Pages S14877–78**

Enrollment Correction: Senate agreed to S. Con. Res. 77, making technical corrections to the enrollment of H.R. 3194. **Page S14878**

Federal Reports Elimination and Sunset Act of 1995 Exemptions: Committee on Governmental Affairs was discharged from further consideration of H.R. 3111, to exempt certain reports from automatic elimination and sunset pursuant to the Federal Reports Elimination and Sunset Act of 1995, and the bill was then passed, after agreeing to the following amendment proposed thereto: **Pages S14878–81**

Collins (for Leahy) Amendment No. 2786, to provide continued reporting of intercepted wire, oral, and electronic communications. **Pages S14878–81**

Millennium Digital Commerce Act: Senate passed S. 761, to regulate interstate commerce by electronic means by permitting and encouraging the continued expansion of electronic commerce through the operation of free market forces, after agreeing to a committee amendment in the nature of a substitute, and the following amendment proposed thereto: **Pages S14881–89**

Collins (for Abraham) Amendment No. 2787, in the nature of a substitute. **Page S14882**

Church Plan Parity and Entanglement Prevention Act: Committee on Health, Education, Labor, and Pensions was discharged from further consideration of S. 1309, to amend title I of the Employee Retirement Income Security Act of 1974 to provide for the preemption of State law in certain cases relating to certain church plans, and the bill was then passed, after agreeing to the following amendment proposed thereto: **Pages S14889–91**

Collins (for Sessions/Jeffords) Amendment No. 2788, in the nature of a substitute. **Page S14889**

Consolidated Farm and Rural Development Act Amendments: Committee on Agriculture, Nutrition,

and Forestry was discharged from further consideration of S. 961, to amend the Consolidated Farm And Rural Development Act to improve shared appreciation arrangements, and the bill was then passed, after agreeing to the following amendment proposed thereto: **Page S14891**

Collins (for Burns) Amendment No. 2789, in the nature of a substitute. **Page S14891**

Inspector General Act Amendments: Senate passed S. 1707, to amend the Inspector General Act of 1978 (5 U.S.C. App.) to provide that certain designated Federal entities shall be establishments under such Act, after agreeing to a committee amendment in the nature of a substitute.

Pages S14892–93

Cheyenne River Sioux Tribe Equitable Compensation Act: Senate passed S. 964, to provide for equitable compensation for the Cheyenne River Sioux Tribe, after agreeing to a committee amendment in the nature of a substitute. **(See next issue.)**

Indian Tribal Justice Technical and Legal Assistance Act of 1999: Senate passed S. 1508, to provide technical and legal assistance for tribal justice systems and members of Indian tribes, after agreeing to a committee amendment in the nature of a substitute. **(See next issue.)**

Federal Emergency Management Food and Shelter Program Reauthorization: Senate passed S. 1516, to amend title III of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11331 et seq.) to reauthorize the Federal Emergency Management Food and Shelter Program. **(See next issue.)**

Federal Report Elimination and Sunset Act Amendments of 1999: Senate passed S. 1877, to amend the Federal Report Elimination and Sunset Act of 1995. **(See next issue.)**

Office of Government Ethics Authorization Act of 1999: Senate passed S. 1503, to amend the Ethics in Government Act of 1978 (5 U.S.C. App.) to extend the authorization of appropriations for the Office of Government Ethics through fiscal year 2003. **(See next issue.)**

U.S. Holocaust Assets Commission Extension Act: Committee on Banking, Housing, and Urban Affairs was discharged from further consideration of H.R. 2401, to amend the U.S. Holocaust Assets Commission Act of 1998 to extend the period by which the final report is due and to authorize additional funding, and the bill was then passed, clearing the measure for the President. **(See next issue.)**

Federal Reserve Act: Committee on Banking, Housing, and Urban Affairs, was discharged from further consideration of H.R. 1094, to amend the Federal Reserve Act to broaden the range of discount window loans which may be used as collateral for Federal reserve notes, and the bill was then passed, clearing the measure for the President.

(See next issue.)

Taiwan in the World Health Organization: Senate passed H.R. 1794, concerning the participation of Taiwan in the World Health Organization (WHO), clearing the measure for the President.

(See next issue.)

Sudan Peace Act: Senate passed S. 1453, to facilitate famine relief efforts and a comprehensive solution to the war in Sudan, after agreeing to a committee amendment in the nature of a substitute.

(See next issue.)

Coastal Wetlands Planning, Protection and Restoration Act: Senate passed S. 1119, to amend the Act of August 9, 1950, to continue funding of the Coastal Wetlands Planning, Protection and Restoration Act. **(See next issue.)**

State Flexibility Clarification Act: Senate passed H.R. 3257, to amend the Congressional Budget Act of 1974 to assist the Congressional Budget Office with the scoring of State and local mandates, clearing the measure for the President. **(See next issue.)**

Radiation Exposure Compensation Act Amendments: Senate passed S. 1515, to amend the Radiation Exposure Compensation Act, after agreeing to a committee amendment. **(See next issue.)**

Private Relief: Senate passed S. 302, for the relief of Kerantha Poole-Christian. **(See next issue.)**

Private Relief: Senate passed S. 1019, for the relief of Regine Beatie Edwards. **(See next issue.)**

Private Relief: Senate passed S. 276, for the relief of Sergio Lozano, after agreeing to a committee amendment in the nature of a substitute.

(See next issue.)

Secretary of the Treasury/Republic of Iceland Minting of Coins: Senate passed H.R. 3373, to require the Secretary of the Treasury to mint coins in conjunction with the minting of coins by the Republic of Iceland in commemoration of the millennium of the discovery of the New World by Lief Ericson, clearing the measure for the President.

(See next issue.)

Export Enhancement Act: Senate passed H.R. 3381, to reauthorize the Overseas Private Investment Corporation and the Trade and Development Agency, clearing the measure for the President.

(See next issue.)

Secretariat of the Free Trade Area of the Americas Location: Committee on Finance was discharged from further consideration of S. Con. Res. 71, expressing the sense of Congress that Miami, Florida, and not a competing foreign city, should serve as the permanent location for the Secretariat of the Free Trade Area of the Americas (FTAA) beginning in 2005, and the resolution was then agreed to.

(See next issue.)

Condemning Violence in Chechnya: Committee on Foreign Relations was discharged from further consideration of S. Res. 223, condemning the violence in Chechnya, and the resolution was then

agreed to, after agreeing to the following amendment proposed thereto: **(See next issue.)**

Collins (for Helms) Amendment No. 2791, to make clerical corrections. **(See next issue.)**

Human Rights in China: Senate agreed to S. Res. 217, relating to the freedom of belief, expression, and association in the People's Republic of China. **(See next issue.)**

U.S. Border Patrol's 75 Years of Service: Senate agreed to H. Con. Res. 122, recognizing the United States Border Patrol's 75 years of service since its founding. **(See next issue.)**

Celebrating One America: Senate agreed to H. Con. Res. 141, celebrating One America. **(See next issue.)**

Commending WWII Veterans: Senate passed H.J. Res. 65, commending the World War II veterans who fought in the Battle of the Bulge, clearing the measure for the President. **(See next issue.)**

National Family Week: Senate agreed to S. Res. 204, designating the week beginning November 21, 1999, and the week beginning on November 19, 2000, as 'National Family Week.' **(See next issue.)**

National Biotechnology Month: Senate agreed to S. Res. 200, designating January 2000 as ''National Biotechnology Month,'' after agreeing to committee amendments, and the following amendment proposed thereto: **(See next issue.)**

Collins (for Grams) Amendment No. 2792, providing for a title amendment. **(See next issue.)**

National Children's Memorial Day: Senate agreed to S. Res. 118, designating December 12, 1999, as ''National Children's Memorial Day''. **(See next issue.)**

Give Thanks, Give Life: Committee on the Judiciary was discharged from further consideration of S. Res. 225, to designate November 23, 2000, Thanksgiving Day, as a day to ''Give Thanks, Give Life'' and to discuss organ and tissue donation with other family members, and the resolution was then agreed to. **(See next issue.)**

Recognizing the Contributions of Older Persons: Senate agreed to S. Res. 234, recognizing the contribution of older persons to their communities and commending the work of organizations that participate in programs assisting older persons and that promote the goals of the International Year of Older Persons.

Honoring Air National Guard's 109th Airlift Wing: Senate agreed to H. Con. Res. 205, recognizing and honoring the heroic efforts of the Air National Guard's 109th Airlift Wing and its rescue of Dr. Jerri Nielsen from the South Pole. **(See next issue.)**

Commending U.S. Navy: Committee on Armed Services was discharged from further consideration of S. Res. 196, commending the submarine force of the United States Navy on the 100th anniversary of the force, and the resolution was then agreed to. **(See next issue.)**

Printing Authority: Senate agreed to S. Res. 235, to authorize the printing of a revised edition of the Senate Election Law Guidebook. **(See next issue.)**

Printing Authority: Senate agreed to S. Res. 236, to authorize the printing of a revised edition of the Nomination and Election of the President and Vice President of the United States. **(See next issue.)**

Printing Authority: Senate agreed to H. Con. Res. 221, authorizing printing of the brochures entitled ''How Our Laws Are Made'' and ''Our American Government'', the pocket version of the United States Constitution, and the document-sized, annotated version of the United States Constitution, after agreeing to the following amendment proposed thereto: **Page**

Collins (for McConnell/Robb) Amendment No. 2793, in the nature of a substitute. **(See next issue.)**

Commemorative Postage Stamp/4-H Youth Development Program: Committee on Governmental Affairs was discharged from further consideration of S. Res. 218, expressing the sense of the Senate that a commemorative postage stamp should be issued recognizing the 4-H Youth Development Program's centennial, and the resolution was then agreed to. **(See next issue.)**

Commemorative Postage Stamp/Purple Heart Recipients: Committee on Governmental Affairs was discharged from further consideration of S. Con. Res. 42, expressing the sense of the Congress that a commemorative postage stamp should be issued by the United States Postal Service honoring the members of the Armed Forces who have been awarded the Purple Heart, and the resolution was then agreed to. **(See next issue.)**

Lance Corporal Harold Gomez Post Office: Senate passed S. 1295, to designate the United States Post Office located at 3813 Main Street in East Chicago, Indiana, as the ''Lance Corporal Harold Gomez Post Office''. **(See next issue.)**

Postal Service Building Designations: Senate passed H.R. 100, to establish designations for United States Postal Service buildings in Philadelphia, Pennsylvania, clearing the measure for the President. **(See next issue.)**

Clifford R. Hope Post Office: Senate passed H.R. 197, to designate the facility of the United States Postal Service at 410 North 6th Street in Garden City, Kansas, as the ''Clifford R. Hope Post Office'', clearing the measure for the President. **(See next issue.)**

Postal Service Facility Designations: Senate passed H.R. 1191, to designate certain facilities of the United States Postal Service in Chicago, Illinois, clearing the measure for the President. **(See next issue.)**

Noal Cushing Baterman Post Office Building: Senate passed H.R. 1251, to designate the United States Postal Service building located at 8850 South 700 East, Sandy, Utah, as the ''Noal Cushing Bateman Post Office Building'', clearing the measure for the President. **(See next issue.)**

Maurine B. Neuberger U.S. Post Office: Senate passed H.R. 1327, to designate the United States Postal Service building located at 34480 Highway 101 South in Cloverdale, Oregon, as the ''Maurine B. Neuberger United States Post Office'', clearing the measure for the President. **(See next issue.)**

John J. Buchanan Post Office Building: Senate passed H.R. 1377, to designate the facility of the United States Postal Service located at 9308 South Chicago Avenue, Chicago, Illinois, as the ''John J. Buchanan Post Office Building'', after agreeing to a committee amendment in the nature of a substitute. **(See next issue.)**

Private Relief: Committee on the Judiciary was discharged from further consideration of H.R. 322, for the relief of Suchada Kwong, and the bill was then passed, clearing the measure for the President. **(See next issue.)**

Senate Representation: Senate agreed to S. Res. 238, to authorize representation of Member of the Senate in the case of Brett Kimberlin v. Orrin Hatch, et al. **(See next issue.)**

DEFEAT Meth Act: Senate passed S. 486, to provide for the punishment of methoamphetamine laboratory operators, provide additional resources to combat methamphetamine production, trafficking, and abuse in the United States, after agreeing to a committee amendment in the nature of a substitute, and the following amendment proposed thereto: **(See next issue.)**

Collins (for Hatch) Amendment No. 2794, in the nature of a substitute. **(See next issue.)**

Abraham Lincoln Bicentennial Commission Act: Committee on the Judiciary was discharged from further consideration of H.R. 1451, to establish the Abraham Lincoln Bicentennial Commission, and the bill was then passed, after agreeing to the following amendment proposed thereto: **(See next issue.)**

Collins (for Hatch) Amendment No. 2795, in the nature of a substitute. **(See next issue.)**

Child Abuse Prevention and Enforcement Act: Senate passed H.R. 764, to reduce the incidence of child abuse and neglect, after agreeing to a committee amendment in the nature of a substitute. **(See next issue.)**

National Colorectal Cancer Awareness Month: Committee on the Judiciary was discharged from further consideration of S. Res. 108, designating the month of March 2000, as ''National Colorectal Cancer Awareness Month'', and the resolution was then agreed to, after agreeing to the following amendment proposed thereto: **(See next issue.)**

Collins (for Hatch) Amendment No. 2796, to amend the designation date of ''National Colorectal Cancer Awareness Month''. **(See next issue.)**

Enrollment Correction: Senate agreed to H. Con. Res. 236, correcting the enrollment of H.R. 1180. **(See next issue.)**

El Camino Real de Tierra Adentro National Historic Trail Act: Senate passed S. 366, to amend the National Trails System Act to designate El Camino Real de Tierra Adentro as a National Historic Trail, after agreeing to committee amendments. **(See next issue.)**

Glacier Bay Fisheries Act: Senate passed S. 501, to address resource management issues in Glacier Bay National Park, Alaska, after agreeing to a committee amendment in the nature of a substitute, and the following amendment proposed thereto: **(See next issue.)**

Lott (for Bingaman) Amendment No. 2801, in the nature of a substitute. **(See next issue.)**

Lewis and Clark Rural Water System Act: Senate passed S. 244, to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for the planning and construction of the water supply system, after agreeing to a committee amendment in the nature of a substitute. **(See next issue.)**

Gateway Visitor Center Authorization Act: Senate passed H.R. 449, to authorize the Gateway Visitor Center at Independence National Historical Park, clearing the measure for the President. **(See next issue.)**

Mt. Hope Waterpower Project: Senate passed H. R. 459, to extend the deadline under the Federal Power Act for FERC Project No. 9401, the Mt. Hope Waterpower Project, clearing the measure for the President. **(See next issue.)**

Star-Spangled Banner National Historic Trail Study Act: Senate passed H.R. 791, to amend the National Trails System Act to designate the route of the War of 1812 British invasion of Maryland and Washington, District of Columbia, and the route of the American defense, for study for potential addition to the national trails system, clearing the measure for the President. **(See next issue.)**

Otay Mountain Wilderness Act: Senate passed H. R. 15, to designate a portion of the Otay Mountain region of California as wilderness, clearing the measure for the President. **(See next issue.)**

Arizona Statehood and Enabling Act Amendments: Senate passed H. R. 747, to protect the permanent trust funds of the State of Arizona from erosion due to inflation and modify the basis on which distributions are made from those funds, clearing the measure for the President. **(See next issue.)**

Home of Franklin D. Roosevelt National Historic Site: Senate passed H.R. 1104, to authorize the

Secretary of the Interior to transfer administrative jurisdiction over land within the boundaries of the Home of Franklin D. Roosevelt National Historic Site to the Archivist of the United States for the construction of a visitor center, clearing the measure for the President. **(See next issue.)**

Thomas Cole National Historic Site Act: Senate passed H.R. 658, to establish the Thomas Cole National Historic Site in the State of New York as an affiliated area of the National Park System, clearing the measure for the President. **(See next issue.)**

Virginia Wilderness Battlefield: Senate passed H.R. 1665, to allow the National Park Service to acquire certain land for addition to the Wilderness Battlefield in Virginia, as previously authorized by law, by purchase or exchange as well as by donation, clearing the measure for the President.

(See next issue.)

Chattahoochee River National Recreation Area: Senate passed H.R. 2140, to improve protection and management of the Chattahoochee River National Recreation Area in the State of Georgia, clearing the measure for the President. **(See next issue.)**

Perkins County Rural Water System Act: Senate passed H.R. 970, to authorize the Secretary of the Interior to provide assistance to the Perkins County Rural Water System, Inc., for the construction of water supply facilities in Perkins County, South Dakota, clearing the measure for the President.

National Geologic Mapping Reauthorization Act: Senate passed H.R. 1528, to reauthorize and amend the National Geologic Mapping Act of 1992, clearing the measure for the President.

(See next issue.)

Upper Delaware Scenic and Recreational River Mongaup Visitor Center Act: Senate passed H.R. 20, to authorize the Secretary of the Interior to construct and operate a visitor center for the Upper Delaware Scenic and Recreational River on land owned by the State of New York, after withdrawing the committee amendment, clearing the measure for the President. **(See next issue.)**

World War Veterans Park: Senate passed H.R. 592, to designate a portion of Gateway National Recreation Area as ''World War Veterans Park at Miller Field'', clearing the measure for the President.

(See next issue.)

Quinebaug and Shetucket Rivers Valley National Heritage Corridor Reauthorization Act: Senate passed H.R. 1619, to amend the Quinebaug and Shetucket Rivers Valley National Heritage Corridor Act of 1994 to expand the boundaries of the Corridor, clearing the measure for the President.

(See next issue.)

Terry Peak Land Transfer Act: Committee on Energy and Natural Resources was discharged from further consideration of H.R. 2079, to provide for the conveyance of certain National Forest System lands in the State of South Dakota, and the bill was then passed, clearing the measure for the President.

(See next issue.)

Central Utah Project Completion Act Amendment: Senate passed H.R. 2889, to amend the Central Utah Project Completion Act to provide for acquisition of water and water rights for Central Utah Project purposes, completion of Central Utah project facilities, and implementation of water conservation measures, clearing the measure for the President.

(See next issue.)

National Park Entertainment Fee Collection: Senate passed H.R. 154, to allow the Secretary of the Interior and the Secretary of Agriculture to establish a fee system for commercial filming activities on Federal land, after agreeing to a committee amendment in the nature of a substitute. **(See next issue.)**

Alaska Rescue Cost Recovery: Senate passed S. 698, to review the suitability and feasibility of recovering costs of high altitude rescues at Denali National Park and Preserve in the State of Alaska.

(See next issue.)

Alaska Native Hiring Improvement: Senate passed S. 748, to improve Native hiring and contracting by the Federal Government within the State of Alaska, after agreeing to committee amendments.

(See next issue.)

National Discovery Trails Act: Senate passed S. 734, entitled the ''National Discovery Trails Act of 1999'', after agreeing to committee amendments.

(See next issue.)

National Oilheat Research Alliance Act: Senate passed S. 348, to authorize and facilitate a program to enhance training, research and development, energy conservation and efficiency, and consumer education in the oilheat industry for the benefit of oilheat consumers and the public, after agreeing to committee amendments, and the following amendment proposed thereto: **(See next issue.)**

Lott (for Murkowski) Amendment No. 2802, to provide for national oil heat research, small hydroelectric projects in Alaska, hydroelectric projects in Hawaii, and to extend the time for Federal Energy Regulatory Commission project. **(See next issue.)**

Arizona National Forest Improvement Act: Senate passed S. 1088, to authorize the Secretary of Agriculture to convey certain administrative sites in national forests in the State of Arizona, to convey certain land to the City of Sedona, Arizona for a wastewater treatment facility, after agreeing to the following amendment proposed thereto: **(See next issue.)**

Lott (for Kyl) Amendment No. 2803, to reduce the amount of consideration to be paid by the City by the amount of special use permit fees paid by the City. **(See next issue.)**

Exxon Valdez Settlement Investment: Senate passed S. 711, to allow for the investment of joint Federal and State funds from the civil settlement of

damages from the Exxon Valdez oil spill, after agreeing to a committee amendment in the nature of a substitute. **(See next issue.)**

Omnibus Parks Technical Corrections Act: Senate passed H.R. 149, to make technical corrections to the Omnibus Parks and Public Lands Management Act of 1996, after agreeing to committee amendments, and the following amendment proposed thereto: **(See next issue.)**

Lott (for Murkowski) Amendment No. 2804, to make further amendments. **(See next issue.)**

Nye County, Nevada Land Conveyance: Senate passed S. 1329, to direct the Secretary of the Interior to convey certain land to Nye County, Nevada, after agreeing to a committee amendment. **(See next issue.)**

Mesquite, Nevada Public Land Purchase: Senate passed S. 1330, to give the city of Mesquite, Nevada, the right to purchase at fair market value certain parcels of public land in the city. **(See next issue.)**

Arrowrock Dam Hydroelectric Project: Senate passed S. 1236, to extend the deadline under the Federal Power Act for commencement of the construction of the Arrowrock Dam Hydroelectric Project in the State of Idaho. **(See next issue.)**

Dickinson Dam Bascule Gates Settlement Act: Senate passed S. 769, to provide a final settlement on certain debt owed by the city of Dickinson, North Dakota, for the construction of the bascule gates on the Dickinson Dam, after agreeing to a committee amendment. **(See next issue.)**

Griffith Project Prepayment and Conveyance Act: Senate passed S. 986, to direct the Secretary of the Interior to convey the Griffith Project to the Southern Nevada Water Authority, after agreeing to a committee amendment in the nature of a substitute. **(See next issue.)**

Wyoming Surface Estate Conveyance: Senate passed S. 1030, to provide that the conveyance by the Bureau of Land Management of the surface estate to certain land in the State of Wyoming in exchange for certain private land will not result in the removal of the land from operation of the mining laws, after agreeing to a committee amendment. **(See next issue.)**

Imperial Dam Salinity Control: Senate passed S. 1211, to amend the Colorado River Basin Salinity Control Act to authorize additional measures to carry out the control of salinity upstream of Imperial Dam in a cost-effective manner, after agreeing to a committee amendment. **(See next issue.)**

Community Forest Restoration Act: Senate passed S. 1288, to provide incentives for collaborative forest restoration projects on National Forest System and other public lands in New Mexico, after agreeing to a committee amendment in the nature of a substitute, and the following amendment proposed thereto: **(See next issue.)**

Daschle (for Bingaman) Amendment No. 2805, to authorize the appropriation of $5 million each year. **(See next issue.)**

Vicksburg Campaign Trail Battlefields Preservation Act: Senate passed S. 710, to authorize the feasibility study on the preservation of certain Civil War battlefields along the Vicksburg Campaign Trail, after agreeing to committee amendments.

Lackawanna Valley American Heritage Area Act: Senate passed S. 905, to establish the Lackawanna Valley National Heritage Area, after agreeing to committee amendments. **(See next issue.)**

Corinth Battlefield Preservation Act: Senate passed S. 1117, to establish the Corinth Unit of Shiloh National Military Park, in the vicinity of the city of Corinth, Mississippi, and in the State of Tennessee, after agreeing to committee amendments. **(See next issue.)**

Gettysburg National Military Park Boundary Expansion: Senate passed S. 1324, to expand the boundaries of the Gettysburg National Military Park to include Wills House. **(See next issue.)**

Hoover Dam Miscellaneous Sales Act: Senate passed S. 1275, to authorize the Secretary of the Interior to produce and sell products and to sell publications relating to the Hoover Dam, and to deposit revenues generated from the sales into the Colorado River Dam fund. **(See next issue.)**

Fort Peck Reservation Rural Water System Act: Senate passed S. 624, to authorize construction of the Fort Peck Reservation Rural Water System in the State of Montana, after agreeing to a committee amendment in the nature of a substitute. **(See next issue.)**

Methane Hydrate Research and Development Act: Senate passed H.R. 1753, to promote the research, identification, assessment, exploration, and development of methane hydrate resources, after agreeing to the following amendment proposed thereto: **(See next issue.)**

Daschle (for Akaka) Amendment No. 2806, in the nature of a substitute. **(See next issue.)**

Toiyabe National Forest Boundary Adjustment: Senate passed S. 439, to amend the National Forest and Public Lands of Nevada Enhancement Act of 1988 to adjust the boundary of the Toiyabe National Forest, Nevada. **(See next issue.)**

Miwaleta Park Expansion Act: Senate passed S. 977, to provide for the conveyance by the Bureau of Land Management to Douglas County, Oregon, of a county park and certain adjacent land, after agreeing to committee amendments. **(See next issue.)**

Lower Delaware Wild and Scenic Rivers Act: Senate passed S. 1296, to designate portions of the lower Delaware River and associated tributaries as a component of the National Wild and Scenic Rivers System, after agreeing to a committee amendment in the nature of a substitute. **(See next issue.)**

National Park System New Area Study Act: Senate passed S. 1349, to direct the Secretary of the Interior to conduct special resource studies to determine the national significance of specific sites as well as the suitability and feasibility of their inclusion as units of the National Park System, after agreeing to committee amendments. **(See next issue.)**

Taunton River Wild and Scenic River Study Act: Senate passed S. 1569, to amend the Wild and Scenic Rivers Act to designate segments of the Taunton River in the Commonwealth of Massachusetts for study for potential addition to the National Wild and Scenic Rivers System, after agreeing to committee amendments. **(See next issue.)**

Black Hills National Forest Land Exchange: Senate passed S. 1599, to authorize the Secretary of Agriculture to sell or exchange all or part of certain administrative sites and other land in the Black Hills National Forest and to use funds derived from the sale or exchange to acquire replacement sites and to acquire or construct administrative improvements in connection with Black Hills National Forest.

(See next issue.)

Lewis and Clark National Historic Trail Land Conveyance: Senate passed H.R. 2737, to authorize the Secretary of the Interior to convey to the State of Illinois certain Federal land associated with the Lewis and Clark National Historic Trail to be used as an historic and interpretive site along the trail, clearing the measure for the President.

(See next issue.)

Jackson Multi-Agency Campus Act: Senate passed S. 1374, to authorize the development and maintenance of a multi-agency campus project in the town of Jackson, Wyoming, after agreeing to a committee amendment in the nature of a substitute.

(See next issue.)

Pacific Northwest Electric Power Planning and Conservation Act Amendments: Committee on Energy and Natural Resources was discharged from further consideration of S. 1937, to amend the Pacific Northwest Electric Power Planning and Conservation Act to provide for sales of electricity by the Bonneville Power Administration to joint operating entities, and the bill was then passed. **(See next issue.)**

Keweenaw National Historical Parks Advisory Commission Members Appointments: Committee on Energy and Natural Resources was discharged from further consideration of H.R. 748, to amend the Act that established the Keweenaw National Historical Park to require the Secretary of the Interior to consider nominees of various local interests in appointing members of the Keweenaw National Historical Parks Advisory Commission, and the bill was then passed, clearing the measure for the President.

(See next issue.)

Dugger Mountain Wilderness Act: Senate passed H.R. 2632, to designate certain Federal lands in the Talladega National Forest in the State of Alabama as the Dugger Mountain Wilderness, clearing the measure for the President. **(See next issue.)**

Foster Care Independence Act: Committee on Finance was discharged from further consideration of H.R. 1802, to amend part E of title IV of the Social Security Act to provide States with more funding and greater flexibility in carrying out programs designed to help children make the transition from foster care to self sufficiency, and the bill was then passed, after agreeing to the following amendment proposed thereto: **(See next issue.)**

Collins Amendment No. 2797, in the nature of a substitute. **(See next issue.)**

Convening of the 2nd Session/106th Congress: Senate passed H.J. Res. 85, appointing the day for the convening of the second session of the One Hundred Sixth Congress, clearing the measure for the President. **(See next issue.)**

Commending Keeper of the Stationery: Senate agreed to S. Res. 240, commending Stephen G. Bale, Keeper of the Stationery, U.S. Senate. **(See next issue.)**

Federal Motor Carrier Safety Administration: Senate passed H.R. 3419, to amend title 49, United States Code, to establish the Federal Motor Carrier Safety Administration, clearing the measure for the President. **(See next issue.)**

Congressional Gold Medal: Committee on Banking, Housing, and Urban Affairs was discharged from further consideration of S. 1971, to authorize the President to award a gold medal on behalf of the Congress to Milton Friedman, in recognition of his outstanding and enduring contributions to individual freedom and opportunity in American society through his exhaustive research and teaching of economics, and his extensive writings on economics and public policy, and the bill was then passed.

Father Theodore M. Hesburgh Congressional Gold Medal Act: Senate passed H.R. 1932, to authorize the President to award a gold medal on behalf of the Congress to Father Theodore M. Hesburgh, in recognition of his outstanding and enduring contributions to civil rights, higher education, the Catholic Church, the Nation, and the global community, clearing the measure for the President. **(See next issue.)**

Vaccine Injury Compensation: Senate passed S. 1996, to amend the Public Health Service Act to clarify provisions relating to the content of petitions for compensation under the vaccine injury compensation program. **(See next issue.)**

Clinical Research Enhancement Act: Committee on Health, Education, Labor and Pensions was discharged from further consideration of S. 1813, to amend the Public Health Service Act to provide additional support for and to expand clinical research programs, and the bill was then passed.

(See next issue.)

Fire Protection Overtime: Senate passed H.R. 1693, to amend the Fair Labor Standards Act of 1938 to clarify the overtime exemption for employees engaged in fire protection activities, clearing the measure for the President. **(See next issue.)**

Cardiac Arrest Survival Act: Committee on Health, Education, Labor, and Pensions was discharged from further consideration of S. 1488, to amend the Public Health Service Act to provide for recommendations of the Secretary of Health and Human Services regarding the placement of automatic external defibrillators in Federal buildings in order to improve survival rates of individuals who experience cardiac arrest in such buildings, and to establish protections from civil liability arising from the emergency use of the devices, and the bill was then passed, after agreeing to the following amendment proposed thereto: **(See next issue.)**

Collins (for Gorton) Amendment No. 2798, in the nature of a substitute. **(See next issue.)**

Twenty-First Century Research Laboratories Act: Committee on Health, Education, Labor, and Pensions was discharged from further consideration of S. 1268, to amend the Public Health Service Act to provide support for the modernization and construction of biomedical and behavioral research facilities and laboratory instrumentation, and the bill was then passed, after agreeing to the following amendment proposed thereto: **(See next issue.)**

Collins (for Harkin) Amendment No. 2799, to modify the authorization of appropriations. **(See next issue.)**

Prostate Cancer Research and Prevention Act: Committee on Health, Education, Labor, and Pensions was discharged from further consideration of S. 1243, to amend the Public Health Service Act to revise and extend the prostate cancer preventive health program, and the bill was then passed. **(See next issue.)**

Enrollment Correction: Senate agreed to H. Con. Res. 239, correcting enrollment of H.R. 3194 with a technical change. **(See next issue.)**

Immigration and Nationality Act Amendments: Committee on the Judiciary was discharged from further consideration of H.R. 2886, to amend the Immigration and Nationality Act to provide that an adopted alien who is less than 18 years of age may be considered a child under such Act if adopted with or after a sibling who is a child under such Act, and the bill was then passed, clearing the measure for the President. **(See next issue.)**

Animal Cruelty Depiction Prohibition: Senate passed H.R. 1887, to amend title 18, United States Code, to punish the depiction of animal cruelty, clearing the measure for the President. **Page**

National American Indian Heritage Month: Senate agreed to S. Res. 216, designating the Month of November 1999 as ''National American Indian Heritage Month''. **(See next issue.)**

Digital Theft Deterrence and Copyright Damages Improvement Act: Senate passed H.R. 3456, to amend statutory damages provisions of title 17, United States Code, clearing the measure for the President. **(See next issue.)**

''Shoeless Joe'' Jackson Baseball Accomplishment Recognition: Committee on Commerce, Science, and Transportation was discharged from further consideration of S. Res. 134, expressing the sense of the Senate that Joseph Jefferson ''Shoeless Joe'' Jackson should be appropriately honored for his outstanding baseball accomplishments, and the resolution was then agreed to, after agreeing to the following amendment proposed thereto: **(See next issue.)**

Collins (for Thurmond) Amendment No. 2800, in the nature of a substitute. **(See next issue.)**

Zachary Fisher Honorary Veteran Status Conferment: Senate passed H. J. Res. 46, conferring status as an honorary veteran of the United States Armed Forces on Zachary Fisher, clearing the measure for the President. **(See next issue.)**

Directing the Senate Commission on Art: Senate agreed to S. Res. 241, to direct the Senate Commission on Art to recommend to the Senate 2 outstanding individuals whose paintings shall be placed in 2 of the remaining unfilled spaces in the Senate reception room. **(See next issue.)**

Electronic Commerce Taxation Moratorium: Senate agreed to H. Con. Res. 190, urging the United States to seek a global consensus supporting a moratorium on tariffs and on special, multiple, and discriminatory taxation of electronic commerce. **(See next issue.)**

State Funding: Senate passed H.R. 3443, to amend part E of title IV of the Social Security Act to provide States with more funding and greater flexibility in carrying out programs designed to help children make the transition from foster care to self sufficiency, clearing the measure for the President. **(See next issue.)**

Deceptive Mail Prevention and Enforcement Act: Senate concurred in the amendment of the House to S. 335, to amend Chapter 30 of title 39, United States Code, to provide for the nonmailability of certain deceptive matter relating to sweepstakes, skill contests, facsimile checks, administrative procedures, orders, and civil penalties relating to such matter, clearing the measure for the President. **Pages S14856–63**

Copyright Damages Improvement Act: Senate concurred in the amendment of the House to S. 1257, to amend statutory damages provisions of title 17, United States Code, with a further amendment proposed thereto: **Pages S14891–92**

Collins (for Hatch) Amendment No. 2790, to provide for the promulgation of emergency guidelines by the United States Sentencing Commission relating to criminal infringement of a copyright or trademark. **Page S14892**

Veterans' Compensation Cost-of-Living Adjustment Act: Senate concurred in the amendments of the House to Senate amendment to H.R. 2280, to amend title 38, United States Code, to provide a cost-of-living adjustment in rates of compensation paid for service-connected disabilities, to enhance the compensation, memorial affairs, and housing programs of the Department of Veterans Affairs, to improve retirement authorities applicable to judges of the United States Court of Appeals for Veterans Claims, clearing the measure for the President.

(See next issue.)

Mississippi Courts: Senate concurred in the amendment of the House to S. 1418, to provide for the holding of court at Natchez, Mississippi in the same manner as court is held at Vicksburg, Mississippi, clearing the measure for the President.

(See next issue.)

Open-Market Reorganization for the Betterment of International Telecommunications Act: Senate disagreed to the amendment of the House to S. 376, to amend the Communications Satellite Act of 1962 to promote competition and privatization in satellite communications, requested a conference with the House thereon, and the Chair was authorized to appoint the following conferees on the part of the Senate: Senators McCain, Stevens, Burns, Hollings, and Inouye. **(See next issue.)**

Oregon Land Use: Senate concurred in the amendment of the House to S. 416, to direct the Secretary of Agriculture to convey the city of Sisters, Oregon, a certain parcel of land for use in connection with a sewage treatment facility, clearing the measure for the President. **(See next issue.)**

Veterans' Millennium Health Care Act Conference Report: Senate agreed to the conference report on H.R. 2116, to amend title 38, United States Code, to enhance programs providing health care, education, memorial, and other benefits for veterans, to authorize major medical facility projects for the Department of Veterans Affairs, clearing the measure for the President. **(See next issue.)**

Intelligence Authorization Conference Report: Senate agreed to the conference report on H.R. 1555, to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, clearing the measure for the President. **(See next issue.)**

Work Incentives Improvement Act Conference Report: By 95 yeas to 1 nay (Vote No. 372), Senate agreed to the conference report on H.R. 1180, to amend the Social Security Act to expand the availability of health care coverage for working individuals with disabilities, to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide such individuals with meaningful opportunities to work, clearing the measure for the President. **(See next issue.)**

Consolidated Appropriations Conference Report: By 74 yeas to 24 nays (Vote No. 374), Senate agreed to the conference report on H.R. 3194, making consolidated appropriations for the fiscal year ending September 30, 2000, clearing the measure for the President. **(See next issue.)**

During consideration of this measure, the Senate also took the following action:

By 87 yeas to 9 nays (Vote No. 373), three-fifths of those Senators duly chosen and sworn having voted in the affirmative, Senate agreed to the motion to close further debate on the conference report.

(See next issue.)

Standing Rules of the Senate—Agreement: A unanimous-consent agreement was reached directing the Committee on Rules and Administration prepare a revised edition of the Standing Rules of the Senate, and that such standing rules be printed as a Senate document. **(See next issue.)**

Bankruptcy Reform Act—Cloture Motion Filed: A motion was entered to close further debate on S. 625, to amend title 11, United States Code and, in accordance with Rule XXII of the Standing Rules of the Senate, a vote on the cloture motion will occur on Tuesday, January 25, 2000, at 12 noon.

(See next issue.)

Nominations Received By The Senate—Agreement: A unanimous-consent agreement was reached providing that all nominations received by the Senate during the 10th Congress, first session, remain in status quo, notwithstanding the November 19, 1999 adjournment of the Senate, and the provisions of rule XXXI, paragraph 6 of the standing rules of the Senate. **(See next issue.)**

University of Alaska Land Conveyance—Agreement: A unanimous-consent-time agreement was reached providing for consideration of S. 744, to provide for the continuation of higher education through the conveyance of certain public lands in the State of Alaska to the University of Alaska, with amendments to be proposed thereto. **(See next issue.)**

Appointment Authority—Agreement: A unanimous-consent agreement was reached providing that notwithstanding the sine die adjournment of the present session of the Senate, the President of the Senate, the President of the Senate Pro tempore, the Majority Leader of the Senate and the Minority Leader of the Senate be, and they are hereby authorized, to make appointments to commissions, committees, boards, conferences, or interparliamentary conferences authorized by law, by concurrent action of the two Houses, or by order of the Senate.

(See next issue.)

Authority for Committees: All committees were authorized to file executive and legislative reports during the adjournment of the Senate on Tuesday, December 7, 1999 from 11 a.m. until 1 p.m., and

on Friday, January 7, 2000 from 11 a.m. until 1 p.m. **(See next issue.)**

Appointment:

Joint Committee on Taxation Membership: The Chair announced on behalf of the Chairman of the Finance Committee, pursuant to section 8002 of title 26, U.S. Code, the designation of Senator Hatch as a member of the Joint Committee on Taxation, in lieu of the late Senator Chafee. **(See next issue.)**

Nominations Confirmed: Senate confirmed the following nominations:

Stephen Hadley, of the District of Columbia, to be a Member of the Board of Directors of the United States Institute of Peace for a term expiring January 19, 2003.

Zalmay Khalilzad, of Maryland, to be a Member of the Board of Directors of the United States Institute of Peace for a term expiring January 19, 2001.

John C. Truesdale, of Maryland, to be a Member of the National Labor Relations Board for the term of five years expiring August 27, 2003.

Paul Steven Miller, of California, to be a Member of the Equal Employment Opportunity Commission for a term expiring July 1, 2004. (Reappointment)

Irasema Garza, of Maryland, to be Director of the Women's Bureau, Department of Labor.

T. Michael Kerr, of the District of Columbia, to be Administrator of the Wage and Hour Division, Department of Labor.

Anthony Musick, of Virginia, to be Chief Financial Officer, Corporation for National and Community Service.

Susan M. Wachter, of Pennsylvania, to be an Assistant Secretary of Housing and Urban Development.

Neal S. Wolin, of Illinois, to be General Counsel for the Department of the Treasury.

Ivan Itkin, of Pennsylvania, to be Director of the Office of Civilian Radioactive Waste Management, Department of Energy.

Richard Linn, of Virginia, to be United States Circuit Judge for the Federal Circuit.

Joseph R. Crapa, of Virginia, to be an Assistant Administrator of the United States Agency for International Development.

Alan Phillip Larson, of Iowa, to be Under Secretary of State (Economic, Business and Agricultural Affairs).

Linda J. Bilmes, of California, to be an Assistant Secretary of Commerce.

Linda J. Bilmes, of California, to be Chief Financial Officer, Department of Commerce.

Magdalena G. Jacobsen, of Oregon, to be a Member of the National Mediation Board for a term expiring July 1, 2002.

Francis J. Duggan, of Virginia, to be a Member of the National Mediation Board for a term expiring July 1, 2000.

Ernest W. DuBester, of New Jersey, to be a Member of the National Mediation Board for a term expiring July 1, 2001.

Deanna Tanner Okun, of Idaho, to be a Member of the United States International Trade Commission for a term expiring June 16, 2008.

Routine lists in the Coast Guard.

Nominations Received: Senate received the following nominations:

E. Douglas Hamilton, of Kentucky, to be United States Marshal for the Western District of Kentucky for the term of four years.

Francis J. Duggan, of Virginia, to be a Member of the National Mediation Board for a term expiring July 1, 2003.

Timothy Earl Jones, Jr., of Georgia, to be a Commissioner of the United States Parole Commission for a term of six years.

Marie F. Ragghianti, of Tennessee, to be a Commissioner of the United States Parole Commission for a term of six years.

Routine lists in the Public Health Service. **(See next issue.)**

Nominations Withdrawn: Senate received notification of the withdrawal of the following nominations:

Timothy Earl Jones, Jr., of Georgia, to be a Commissioner of the United States Parole Commission for a term of six years, vice George MacKenzie Rast, resigned, which was sent to the Senate on July 19, 1999. **(See next issue.)**

Marie F. Ragghianti, of Maryland, to be a Commissioner of the United States Parole Commission for a term of six years, vice Edward F. Reilly, term expired, which was sent to the Senate on July 19, 1999. **(See next issue.)**

Messages From the House: **(See next issue.)**

Measures Referred: **(See next issue.)**

Measures Placed on Calendar: **(See next issue.)**

Communications: **(See next issue.)**

Statements on Introduced Bills: **(See next issue.)**

Additional Cosponsors: **(See next issue.)**

Amendments Submitted: **(See next issue.)**

Enrolled Measures Presented: **(See next issue.)**

Enrolled Measures Signed: **(See next issue.)**

Record Votes: Three record votes were taken today. (Total—374) **(See next issue.)**

Adjournment Sine Die: Senate met at 9:30 a.m., and, in accordance with the provisions of H. Con. Res. 235, adjourned *sine die* at 8:49 p.m., until 12 noon, on Monday, January 24, 2000.

Committee Meetings

No committee meetings were held.

House of Representatives

Chamber Action

Bills Introduced: 3 public bills, H.R. 3511–3513; and 1 resolution, H. Con. Res. 239, were introduced. **Page H12896**

Reports Filed: No reports were filed today.

Guest Chaplain: The prayer was offered by the guest Chaplain, Rev. Dr. Ronald Christian of Fairfax, Virginia. **Page H12894**

Recess: The House recessed at 12:20 p.m. and reconvened at 12:25 p.m. **Page H12895**

Correcting Enrollment: The House agreed to H. Con. Res. 239, directing the Clerk of the House of Representatives to make a technical correction in the enrollment of the bill H.R. 3194. **Pages H12895–96**

Meeting Hour—Monday, November 22: Agreed that when the House adjourn today, it adjourn to meet on Monday, November 22, 1999 at noon. **Page H12896**

Senate Messages: Message received from the Senate appears on page H12894

Quorum Calls—Votes: No recorded votes or quorum calls developed during the proceedings of the House today.

Adjournment: The House met at 12:00 p.m. and adjourned at 12:26 p.m.

Committee Meetings

No committee meetings were held.

CONGRESSIONAL PROGRAM AHEAD

Week of November 22 through November 24, 1999

House Chamber

Monday, The House will meet at 12:00 p.m.

Tuesday and the Balance of the Week, To be announced.

Any Further Program Will Be Announced Later.

House Committees

No committee meetings are scheduled.

Next Meeting of the SENATE

12 noon, Monday, January 24

Senate Chamber

Program for Monday: Senate will begin a period for the transaction of any routine morning business until 2 p.m.

Next Meeting of the HOUSE OF REPRESENTATIVES

12 noon, Monday, November 22

House Chamber

Program for Monday: To be announced.

Extensions of Remarks, as inserted in this issue

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