United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 106th CONGRESS, SECOND SESSION

Vol. 146 WASHINGTON, FRIDAY, JULY 14, 2000 No. 91

House of Representatives

The House was not in session today. Its next meeting will be held on Monday, July 17, 2000, at 12:30 p.m.

Senate

FRIDAY, JULY 14, 2000

The Senate met at 9:01 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Gracious Father, our days of work and nights of rest run together. We need You. We praise You for Your love that embraces us and gives us security, Your joy that uplifts us and gives us resiliency, Your peace that floods our hearts and gives us serenity, and the presence of Your Spirit that fills us and gives us strength and endurance.

We dedicate this day to You. Help us to realize that it is by Your permission that we breathe our next breath and by Your grace that we are privileged to use all the gifts of intellect and judgment that You provide. Give the Senators and all of us who work with them a perfect blend of humility and hope, so that we will know that You have given us all that we have and are and have chosen to bless us this day. Our choice is to respond and commit ourselves to You. Through our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable LINCOLN CHAFEE, a Senator from the State of Rhode Island, 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.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. L. CHAFEE). Under the previous order, the leadership time is reserved.

SCHEDULE

Mr. ROTH. Mr. President, today the Senate will begin the final votes on the Death Tax Elimination Act. There are nine votes on amendments and a vote on final passage of the bill. Senators should be aware that all votes after the first vote will be limited to 10 minutes in an effort to expedite the process. Following the votes, the Senate will begin consideration of the reconciliation bill. Under a previous agreement, all Senators who have amendments must debate their amendments during today's session with votes scheduled to occur at approximately 6:15 p.m. on Monday, July 17.

I thank my colleagues for their cooperation.

MEASURE PLACED ON THE CALENDAR—S. 2869

Mr. ROTH. Mr. President, I do understand there is a bill at the desk due for its second reading.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 2869) to protect religious liberty, and for other purposes.

Mr. ROTH. Mr. President, I object to further proceedings on this bill at this time.

The PRESIDING OFFICER. Under the rule, the bill will be placed on the calendar.

The Senator from Nevada.

ORDER OF BUSINESS

Mr. REID. Mr. President, it is my understanding this first vote will be 15 minutes and the votes thereafter 10 minutes; is that true?

Mr. ROTH. That is correct.

REQUEST FOR LEAVE OF ABSENCE

Mr. REID. Mr. President, I ask unanimous consent that Senator DASCHLE be excused from today's proceedings under rule VI, paragraph 2.

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

Mr. REID. Mr. President, I ask unanimous consent that Senator DODD be excused from today's proceedings under rule VI, paragraph 2.

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

DEATH TAX ELIMINATION ACT OF 2000

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 8, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 8) to amend the Internal Revenue Code of 1986 to phase out the estate and gift taxes over a 10-year period.

Pending:

Kerry amendment No. 3839, to establish a National Housing Trust Fund in the Treasury of the United States to provide for the development of decent, safe, and affordable housing for low-income families.

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

Printed on recycled paper.

Santorum amendment No. 3838, to provide for the designation of renewal communities and to provide tax incentives relating to such communities, to provide a tax credit to taxpayers investing in entities seeking to provide capital to create new markets in low-income communities, and to provide for the establishment of Individual Development Accounts.

Dodd amendment No. 3837, to amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction, to increase, expand, and simplify the child and dependent care tax credit, to expand the adoption credit for special needs children, to provide incentives for employer-provided child care.

Roth amendment No. 3841, to provide for pension reform by creating tax incentives for savings.

Harkin amendment No. 3840, to protect and provide resources for the Social Security System, to amend title II of the Social Security Act to eliminate the ''motherhood penalty,'' increase the widow's and widower's benefit and to amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction.

Gramm (for Lott) amendment No. 3842, to provide tax relief by providing modifications to education individual retirement accounts.

Bayh amendment No. 3843, to amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction and provide a long-term care credit.

Feingold amendment No. 3844, to preserve budget surplus funds so that they might be available to extend the life of Social Security and Medicare.

Roth (for Lott) motion to commit to Committee on Finance with instructions to report back forthwith.

VOTE ON AMENDMENT NO. 3839

The PRESIDING OFFICER. The question occurs on the Kerry amendment No. 3839.

Mr. ROTH. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to amendment No. 3839. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from New Mexico (Mr. DOMENICI) is necessarily absent.

Mr. REID. I announce that the Senator from South Dakota (Mr. DASCHLE) and the Senator from Connecticut (Mr. DODD) are necessarily absent.

I further announce that, if present and voting, the Senator from South Dakota (Mr. DASCHLE) would vote ''aye.''

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 45, nays 52, as follows:

[Rollcall Vote No. 189 Leg.]

YEAS—45

Akaka	Feingold	Levin
Baucus	Feinstein	Lieberman
Bayh	Graham	Lincoln
Biden	Harkin	Mikulski
Bingaman	Hollings	Moynihan
Boxer	Inouye	Murray
Breaux	Jeffords	Reed
Bryan	Johnson	Reid
Byrd	Kennedy	Robb
Chafee, L.	Kerrey	Rockefeller
Cleland	Kerry	Sarbanes
Conrad	Kohl	Schumer
Dorgan	Landrieu	Specter
Durbin	Lautenberg	Wellstone
Edwards	Leahy	Wyden

NAYS—52

Abraham	Gorton	Nickles
Allard	Gramm	Roberts
Ashcroft	Grams	Roth
Bennett	Grassley	Santorum
Bond	Gregg	Sessions
Brownback	Hagel	Shelby
Bunning	Hatch	Smith (NH)
Burns	Helms	Smith (OR)
Campbell	Hutchinson	Snowe
Cochran	Hutchison	Stevens
Collins	Inhofe	Thomas
Coverdell	Kyl	Thompson
Craig	Lott	Thurmond
Crapo	Lugar	Torricelli
DeWine	Mack	Voinovich
Enzi	McCain	Warner
Fitzgerald	McConnell	
Frist	Murkowski	

NOT VOTING—3

Daschle	Dodd	Domenici

The amendment (No. 3839) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 3838

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act with respect to the Santorum amendment No. 3838. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Pennsylvania (Mr. SPECTER) is necessarily absent.

Mr. REID. I announce that the Senator from South Dakota (Mr. DASCHLE) and the Senator from Connecticut (Mr. DODD) are necessarily absent.

I further announce that, if present and voting, the Senator from South Dakota (Mr. DASCHLE) would vote ''no.''

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 57, nays 40, as follows:

[Rollcall Vote No. 190 Leg.]

YEAS—57

Abraham	Campbell	Feinstein
Allard	Cleland	Fitzgerald
Ashcroft	Cochran	Frist
Bennett	Collins	Gorton
Bond	Conrad	Grams
Breaux	Coverdell	Grassley
Brownback	Craig	Gregg
Bunning	Crapo	Hagel
Burns	DeWine	Hatch
Byrd	Enzi	Helms
Hutchinson	Lott	Shelby
Hutchison	Lugar	Smith (NH)
Inhofe	Mack	Smith (OR)
Jeffords	McCain	Snowe
Johnson	McConnell	Stevens
Kerry	Murkowski	Thomas
Kohl	Roberts	Thompson
Landrieu	Santorum	Thurmond
Lieberman	Sessions	Warner

NAYS—40

Akaka	Gramm	Nickles
Baucus	Harkin	Reed
Bayh	Hollings	Reid
Biden	Inouye	Robb
Bingaman	Kennedy	Rockefeller
Boxer	Kerrey	Roth
Bryan	Kyl	Sarbanes
Chafee, L.	Lautenberg	Schumer
Domenici	Leahy	Torricelli
Dorgan	Levin	Voinovich
Durbin	Lincoln	Wellstone
Edwards	Mikulski	Wyden
Feingold	Moynihan	
Graham	Murray	

NOT VOTING—3

Daschle	Dodd	Specter

The PRESIDING OFFICER. On this vote, the yeas are 57, the nays 40. Three-fifths of the Senators duly chosen and not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

VOTE ON AMENDMENT NO. 3837

Mr. DOMENICI. Mr. President, I believe the next amendment is numbered 3837.

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. Mr. President, this amendment offered by Senators WELLSTONE and DODD——

Mr. REID. Mr. President, if I could—I apologize to the Senator—we are having no statements before the votes.

Mr. DOMENICI. I am making a point of order.

Mr. REID. I apologize very much.

Mr. DOMENICI. I thank the Senator.

Mr. President, this amendment increases direct spending in excess of the committee's allocation.

I raise a point of order against the amendment under section 302(f) of the Budget Act.

Mr. WELLSTONE. I move to waive the Budget Act and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from South Dakota (Mr. DASCHLE), the Senator from Connecticut (Mr. DODD), and the Senator from Massachusetts (Mr. KERRY) are necessarily absent.

I further announce that, if present and voting, the Senator from South Dakota (Mr. DASCHLE) would vote ''aye.''

The yeas and nays resulted—yeas 41, nays 56, as follows:

[Rollcall Vote No. 191 Leg.]

YEAS—41

Akaka	Feinstein	Mikulski
Baucus	Graham	Moynihan
Bayh	Harkin	Murray
Biden	Inouye	Reed
Bingaman	Jeffords	Reid
Boxer	Johnson	Robb
Bryan	Kennedy	Rockefeller
Chafee, L.	Kohl	Sarbanes
Cleland	Landrieu	Schumer
Conrad	Lautenberg	Specter
Dorgan	Leahy	Torricelli
Durbin	Levin	Wellstone
Edwards	Lieberman	Wyden
Feingold	Lincoln	

NAYS—56

Abraham	Fitzgerald	McCain
Allard	Frist	McConnell
Ashcroft	Gorton	Murkowski
Bennett	Gramm	Nickles
Bond	Grams	Roberts
Breaux	Grassley	Roth
Brownback	Gregg	Santorum
Bunning	Hagel	Sessions
Burns	Hatch	Shelby
Byrd	Helms	Smith (NH)
Campbell	Hollings	Smith (OR)
Cochran	Hutchinson	Snowe
Collins	Hutchison	Stevens
Coverdell	Inhofe	Thomas
Craig	Kerrey	Thompson
Crapo	Kyl	Thurmond
DeWine	Lott	Voinovich
Domenici	Lugar	Warner
Enzi	Mack	

NOT VOTING—3

Daschle	Dodd	Kerry

The PRESIDING OFFICER (Mr. GORTON). On this vote, the yeas are 41, the nays are 56. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

VOTE ON AMENDMENT NO. 3841

The PRESIDING OFFICER. The question is on agreeing to amendment No. 3841.

The amendment (No. 3841) was agreed to.

Mr. ROTH. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 3840

The PRESIDING OFFICER. The question is on agreeing to amendment No. 3840. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arkansas (Mr. HUTCHINSON) and the Senator from Vermont (Mr. JEFFORDS) are necessarily absent.

Mr. REID. I announce that the Senator from South Dakota (Mr. DASCHLE) and the Senator from Connecticut (Mr. DODD) are necessarily absent.

I further announce that, if present and voting, the Senator from South Dakota (Mr. DASCHLE) would vote ''aye.''

The result was announced—yeas 42, nays 54, as follows:

[Rollcall Vote No. 192 Leg.]

YEAS—42

Akaka	Bingaman	Byrd
Baucus	Boxer	Cleland
Bayh	Breaux	Conrad
Biden	Bryan	Dorgan
Durbin	Kerry	Murray
Edwards	Kohl	Reed
Feingold	Landrieu	Reid
Feinstein	Lautenberg	Robb
Graham	Leahy	Rockefeller
Harkin	Levin	Sarbanes
Hollings	Lieberman	Schumer
Inouye	Lincoln	Torricelli
Johnson	Mikulski	Wellstone
Kennedy	Moynihan	Wyden

NAYS—54

Abraham	Fitzgerald	McConnell
Allard	Frist	Murkowski
Ashcroft	Gorton	Nickles
Bennett	Gramm	Roberts
Bond	Grams	Roth
Brownback	Grassley	Santorum
Bunning	Gregg	Sessions
Burns	Hagel	Shelby
Campbell	Hatch	Smith (NH)
Chafee, L.	Helms	Smith (OR)
Cochran	Hutchison	Snowe
Collins	Inhofe	Specter
Coverdell	Kerrey	Stevens
Craig	Kyl	Thomas
Crapo	Lott	Thompson
DeWine	Lugar	Thurmond
Domenici	Mack	Voinovich
Enzi	McCain	Warner

NOT VOTING—4

Daschle	Hutchinson
Dodd	Jeffords

The amendment (No. 3840) was rejected.

Mr. LOTT. I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 3843

The PRESIDING OFFICER. The question now is on agreeing to the Bayh amendment No. 3843. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arkansas (Mr. HUTCHINSON) is necessarily absent.

Mr. REID. I announce that the Senator from South Dakota (Mr. DASCHLE) and the Senator from Connecticut (Mr. DODD) are necessarily absent.

I further announce that, if present and voting, the Senator from South Dakota (Mr. DASCHLE) would vote ''aye.''

The result was announced—yeas 46, nays 51, as follows:

[Rollcall Vote No. 193 Leg.]

YEAS—46

Akaka	Feinstein	Lincoln
Baucus	Graham	Mikulski
Bayh	Harkin	Moynihan
Biden	Hollings	Murray
Bingaman	Inouye	Reed
Boxer	Jeffords	Reid
Breaux	Johnson	Robb
Bryan	Kennedy	Rockefeller
Byrd	Kerrey	Sarbanes
Chafee, L.	Kerry	Schumer
Cleland	Kohl	Specter
Conrad	Landrieu	Torricelli
Dorgan	Lautenberg	Wellstone
Durbin	Leahy	Wyden
Edwards	Levin	
Feingold	Lieberman	

NAYS—51

Abraham	Bunning	Craig
Allard	Burns	Crapo
Ashcroft	Campbell	DeWine
Bennett	Cochran	Domenici
Bond	Collins	Enzi
Brownback	Coverdell	Fitzgerald
Frist	Kyl	Sessions
Gorton	Lott	Shelby
Gramm	Lugar	Smith (NH)
Grams	Mack	Smith (OR)
Grassley	McCain	Snowe
Gregg	McConnell	Stevens
Hagel	Murkowski	Thomas
Hatch	Nickles	Thompson
Helms	Roberts	Thurmond
Hutchison	Roth	Voinovich
Inhofe	Santorum	Warner

NOT VOTING—3

Daschle	Dodd	Hutchinson

The amendment (No. 3843) was rejected.

Mr. REID. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 3842

The PRESIDING OFFICER. The question is on agreeing to the Gramm for Lott amendment No. 3842.

Mr. REID. Mr. President, I make a point of order that the pending amendment violates section 302(f) of the Congressional Budget Act of 1974.

Mr. LOTT. Mr. President, I move to waive the Budget Act and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arkansas (Mr. HUTCHINSON), is necessarily absent.

Mr. REID. I announce that the Senator from South Dakota (Mr. DASCHLE), is necessarily absent.

I further announce that, if present and voting, the Senator from South Dakota (Mr. DASCHLE) would vote ''no.''

The yeas and nays resulted—yeas 14, nays 84, as follows:

[Rollcall Vote No. 194 Leg.]

YEAS—14

Abraham	DeWine	Smith (OR)
Ashcroft	Fitzgerald	Snowe
Biden	Gorton	Specter
Breaux	Roth	Torricelli
Collins	Santorum	

NAYS—84

Akaka	Enzi	Leahy
Allard	Feingold	Levin
Baucus	Feinstein	Lieberman
Bayh	Frist	Lincoln
Bennett	Graham	Lott
Bingaman	Gramm	Lugar
Bond	Grams	Mack
Boxer	Grassley	McCain
Brownback	Gregg	McConnell
Bryan	Hagel	Mikulski
Bunning	Harkin	Moynihan
Burns	Hatch	Murkowski
Byrd	Helms	Murray
Campbell	Hollings	Nickles
Chafee, L.	Hutchison	Reed
Cleland	Inhofe	Reid
Cochran	Inouye	Robb
Conrad	Jeffords	Roberts
Coverdell	Johnson	Rockefeller
Craig	Kennedy	Sarbanes
Crapo	Kerrey	Schumer
Dodd	Kerry	Sessions
Domenici	Kohl	Shelby
Dorgan	Kyl	Smith (NH)
Durbin	Landrieu	Stevens
Edwards	Lautenberg	Thomas

Thompson	Voinovich	Wellstone
Thurmond	Warner	Wyden

NOT VOTING—2

Daschle	Hutchinson

The PRESIDING OFFICER. On this vote, the yeas are 14, the nays are 84. Three-fifths of the Senators duly chosen and not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

VOTE ON AMENDMENT NO. 3844

The PRESIDING OFFICER. The question is on agreeing to the Feingold amendment No. 3844. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arkansas (Mr. HUTCHINSON) is necessarily absent.

Mr. REID. I announce that the Senator from South Dakota (Mr. DASCHLE) is necessarily absent.

I further announce that, if present and voting, the Senator from South Dakota (Mr. DASCHLE) would vote ''aye.''

The result was announced—yeas 44, nays 54, as follows:

[Rollcall Vote No. 195 Leg.]

YEAS—44

Akaka	Feinstein	Lincoln
Baucus	Frist	McCain
Bayh	Harkin	Mikulski
Biden	Hollings	Moynihan
Boxer	Inouye	Murray
Breaux	Johnson	Reed
Bryan	Kennedy	Reid
Byrd	Kerrey	Robb
Chafee, L.	Kerry	Rockefeller
Conrad	Kohl	Sarbanes
Dodd	Landrieu	Schumer
Dorgan	Lautenberg	Torricelli
Durbin	Leahy	Wellstone
Edwards	Levin	Wyden
Feingold	Lieberman	

NAYS—54

Abraham	Enzi	McConnell
Allard	Fitzgerald	Murkowski
Ashcroft	Gorton	Nickles
Bennett	Graham	Roberts
Bingaman	Gramm	Roth
Bond	Grams	Santorum
Brownback	Grassley	Sessions
Bunning	Gregg	Shelby
Burns	Hagel	Smith (NH)
Campbell	Hatch	Smith (OR)
Cleland	Helms	Snowe
Cochran	Hutchison	Specter
Collins	Inhofe	Stevens
Coverdell	Jeffords	Thomas
Craig	Kyl	Thompson
Crapo	Lott	Thurmond
DeWine	Lugar	Voinovich
Domenici	Mack	Warner

NOT VOTING—2

Daschle	Hutchinson

The amendment (No. 3844) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON MOTION TO COMMIT

The PRESIDING OFFICER. The question is on agreeing to the motion to commit.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. REID. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arkansas (Mr. HUTCHINSON) is necessarily absent.

Mr. REID. I announce that the Senator from South Dakota (Mr. DASCHLE) is necessarily absent.

I further announce that, if present and voting, the Senator from South Dakota (Mr. DASCHLE) would vote ''no''.

The result was announced—yeas 53, nays 45, as follows:

[Rollcall Vote No. 196 Leg.]

YEAS—53

Abraham	Frist	Murkowski
Allard	Gorton	Nickles
Ashcroft	Graham	Roberts
Bennett	Gramm	Roth
Bond	Grams	Santorum
Brownback	Grassley	Sessions
Bunning	Gregg	Shelby
Burns	Hagel	Smith (NH)
Campbell	Hatch	Smith (OR)
Cochran	Helms	Snowe
Collins	Hutchison	Specter
Coverdell	Inhofe	Stevens
Craig	Kyl	Thomas
Crapo	Lott	Thompson
DeWine	Lugar	Thurmond
Domenici	Mack	Voinovich
Enzi	McCain	Warner
Fitzgerald	McConnell	

NAYS—45

Akaka	Edwards	Levin
Baucus	Feingold	Lieberman
Bayh	Feinstein	Lincoln
Biden	Harkin	Mikulski
Bingaman	Hollings	Moynihan
Boxer	Inouye	Murray
Breaux	Jeffords	Reed
Bryan	Johnson	Reid
Byrd	Kennedy	Robb
Chafee, L.	Kerrey	Rockefeller
Cleland	Kerry	Sarbanes
Conrad	Kohl	Schumer
Dodd	Landrieu	Torricelli
Dorgan	Lautenberg	Wellstone
Durbin	Leahy	Wyden

NOT VOTING—2

Daschle	Hutchinson

The motion was agreed to.

Mr. MOYNIHAN. I move to reconsider the vote.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DODD. Mr. President, earlier today I was necessarily absent while attending to a family member's medical condition during Senate action on rollcall votes 189 through 193.

Had I been present for the votes, I would have voted as follows: On rollcall vote No. 189, Senator KERRY's amendment No. 3839, to establish a National Housing Trust Fund in the Treasury of the United States to provide for the development of decent, safe, and affordable housing for low-income families, I would have voted aye.

On rollcall vote No. 190, the motion to waive the Budget Act with respect to Senator SANTORUM's Amendment No. 3838, to provide for the designation of renewal communities and to provide tax incentives relating to such communities, to provide a tax credit to taxpayers investing in entities seeking to provide capital to create new markets in low-income communities, and to provide for the establishment of Individual Development Accounts (IDAs), and for other purposes, I would have voted no.

On rollcall vote No. 191, the motion to waive the Budget Act with respect to my and Senator WELLSTONEs amendment. No. 3837, to amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction, to increase, expand, and simplify the child and dependent care tax credit, to expand the adoption credit for special needs children, provide incentives for employer-provided child care, and for other purposes, I would have voted aye.

On rollcall vote No. 192, Senator HARKIN's amendment No. 3840, to protect and provide resources for the Social Security System, to amend title II of the Social Security Act to eliminate the ''motherhood penalty,'' increase the widow's and widower's benefit and to amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction, and for other purposes, I would have voted aye.

On rollcall vote No. 193, Senator BAYH's amendment No. 3843 to amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction and provide a long-term care credit, and for other purposes, I would have voted aye.

AMENDMENT NO. 3838

Mr. ROTH. Mr. President, while I am sympathetic to the goals of the Santorum amendment and I strongly support some of its provisions, I must vote against it at this time.

The amendment offered by the Senator is 251 pages long and has 12 titles. It includes new tax incentives and new authorization programs. Some of the incentives are new starters that have never been considered before. While the amendment is based on an agreement that has been announced by the Speaker's Office and the White House, that specific agreement has not been finalized, introduced, or considered by the House of Representatives.

A few weeks ago, Senator SANTORUM introduced a slightly smaller version of

his amendment as a bill. That bill, S. 2779, was referred to the Finance Committee. Our Committee has held no hearings on the bill and we have not marked it up. The Joint Committee on Taxation has not had a chance to offer its comments on the full package or formally to tell us how much it costs. The Administration has not provided us with its views. Since the bill was introduced, my staff has been contacted by a variety of groups asking for technical changes to make the tax incentives operate better.

My colleagues know that I am a strong supporter of some of the provisions in the amendment. Increases in the low income housing credit cap and the private activity bond volume cap are long overdue. Tax credits for individual development accounts are a new and promising concept that I included in last year's tax bill. Nevertheless, I believe that the proper course is for the Finance Committee to take the time to review and evaluate all the provisions of this amendment. Accordingly, I will vote against it at this time.

AMENDMENT NO. 3838

Mr. REED. Mr. President, I oppose this amendment because it contains language that raises serious First Amendment questions regarding the separation of church and state.

This amendment basically allows taxpayer dollars to flow to religious institutions, such as churches, mosques, and synagogues, to administer social services and public health benefits on behalf of our federal government. I believe this provision is Constitutionally suspect and requires more thoughtful Congressional scrutiny in the form of hearings and public discussion. Instead, this dubious language has been slipped into a several-hundred page amendment that few, if any, of my Senate colleagues have probably read.

Unlike the charitable choice provision in the 1996 welfare reform act, which applies to a very limited number of social service programs, this language would expand the scope of ''charitable choice'' to every current and future public health and social service program that receives federal funds. This new charitable choice language also would go further by allowing religious institutions receiving taxpayer dollars to discriminate in their hiring and firing decisions on the basis of their particular religious beliefs and teachings, abrogating the intent of our nation's civil rights laws.

Thus, under this particular provision, persons hired with federal taxpayer money, notwithstanding their personal religious beliefs, could be fired because they did not abide by particular religious standards, such as regular church attendance, tithing, or perhaps abstinence from coffee, tea, alcohol, and tobacco. This new language could allow a federally funded employee to be fired because she remarried without seeking an annulment of her first marriage. This seemingly innocuous ''charitable choice'' language amounts to federally funded employment discrimination, and allows religious organizations supported by taxpayer money to exclude people of different tenets, teachings and faiths from government-funded employment.

I would also like to address a point made by Senator SANTORUM last evening regarding Vice President GORE's support of ''charitable choice.'' Senator SANTORUM failed to mention that in a speech given in May 1999 by the Vice President, he stated that any charitable choice ''extension must be accompanied by clear and strict safeguards.'' He also said that ''government must never promote a particular religious view, or try to force anyone to receive faith.'' This amendment fails on both accounts.

There is a tradition in Rhode Island of religious tolerance and respect for the boundaries between religion and government. Indeed, Roger Williams, who was banished from Massachusetts for his religious beliefs, founded Providence in 1636. The colony served as a refuge where all could come to worship as their conscience dictated without interference from the state. With that background, I believe that we should be very careful to maintain the distinction between government and religion. They both have important roles to play, especially in helping some of our country's neediest citizens. However, if a church or mosque is going to accept taxpayer dollars to perform contractual government services, they should not be able to deny employment to qualified American citizens. Our nation's laws should not allow discrimination on the basis of religion.

I suspect that the drafters of the amendment understand the Constitutional infirmities of their language. They seek some protection by inserting a reference to the ''Establishment Clause in the First Amendment'' as a check on permissible programs. However, such an approach blithely ignores the succeeding words of the same sentence. ''Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof . . .'' (emphasis added).

Their use of the Establishment Clause is a transparent ploy to dress up dubious legislation in the trappings of the Constitution without giving effect to the full meaning of the Constitution. The proposed legislation raises serious questions about the ''free exercise'' of religion. By imposing religious tests on federally funded employment and by condoning religious based treatment regimes paid for by public funds which may conflict with the religious beliefs of beneficiaries, this legislation severely impinges on the ''free exercise'' of conscience.

With specific regard to the religious beliefs of beneficiaries, the drafters try to salvage this amendment from the Constitutional morass that they have created. They purport to require governmental entities to provide access to an ''alternative'' service provider if an individual objects to the religious character of the service provider. Having abandoned the Constitution, the amendment now abandons reality. In a country with insufficient resources to fully treat and serve all who qualify for public services, where are these alternative service providers? We are all familiar with the long waiting lists for substance abuse treatment, just to name one area of concern. We are equally familiar with situations in many areas, both rural and urban, where there is only one realistic provider. How available can any alternative provider be in practice? Moreover, why should a qualified beneficiary have to advance a ''religious'' reason as a condition to receiving public benefits?

Unfortunately, the enactment of the ''charitable choice'' language in this amendment will result in expensive and time-consuming Constitutional litigation, bogging down the passage of its laudatory community renewal provisions.

Mr. President, I would urge my colleagues to oppose this amendment and to vote against federally supported religious discrimination.

I ask unanimous consent that the full text of my remarks be included at the appropriate place in the RECORD.

AMENDMENT NO. 3838

Mr. ROCKEFELLER. Mr. President, I believe in the importance of the New Markets initiative to promote growth and economic development in struggling communities across our country. I have worked closely with Senator ROBB on this effort, as well as the President and his Administration. Given the commitment of President Clinton and Speaker HASTERT, I believe we may have a real chance to enact meaningful legislation on New Markets.

But I do not believe the Santorum amendment is the right starting point. I have serious questions about the provisions in the bill labeled ''Charitable Choice.'' While I strongly support and admire the community development and social service work performed by faith-based organizations, I am deeply troubled by the potential for discrimination in hiring on the basis of an applicant's faith with programs funded by federal dollars. This is not good public policy.

Senator ROBB has announced his intention to introduce another New Markets bill, and I will continue to work closely with the distinguished Senator from Virginia. We introduced the original New Markets bill in August of 1999, and I am committed to working for passage of a final package. But such an important initiative deserves consideration in the Finance Committee, and more than ten minutes of flood debate.

West Virginia has several Empowerment Zones/Enterprise Communities, including Huntington, McDowell County, the Central Appalachia Community and the Upper Kanawha Community. These communities are working hard

to deliver on the promise of the President's economic development initiative, and I am proud of our progress. Together we can make a real difference.

I hope that the Santorum amendment will not prevail, but that Members will work together to build on the Clinton-Hastert initiative to develop vital legislation to promote New Markets. We should provide tax incentives to promote new investments. We should expand on the success of Empowerment Zones and create new Renewal Communities to help small businesses get started in struggling communities. We should invest in affordable housing by expanding the Low-Income Housing Tax Credit and promote home ownership by expanding Mortgage Revenue Bonds. We should make these strategic investments, but not include language that might allow discrimination in hiring practices which would cause controversy and hinder the important investments of New Markets.

Mr. CRAIG. Mr. President, during debate of H.R. 8, the question has been raised: Does the death tax really impact family-owned farms and businesses?

The answer is an emphatic ''Yes!''

According to the book, ''The Millionaire Next Door,'' self-employed individuals are four times as likely to accumulate $1 million in assets over their lifetime than those people who work for someone else. Moreover, while self-employed individuals make up only 20 percent of the workforce, they comprise two-thirds of those Americans whose estates are worth more than $1 million. As a tax on accumulated wealth, the estate tax is a direct attack on these individuals.

Meanwhile, the Small Business Administration Office of Advocacy estimates that seven out of ten family-owned businesses fail to survive from one generation to the next. While this failure rate can be attributed to many factors, the federal estate tax is cited by family business owners as a major obstacle blocking a successful transition. For example, a report by the Family Enterprise Institute found that 60 percent of black business owners believe the estate tax makes the survival of their business significantly more difficult or impossible.

Finally, the estate tax hampers the ability of family-owned businesses to compete against larger corporations. In testimony before the House Ways and Means Committee, a lumberyard owner from New Jersey spoke of incurring up to $1 million in costs associated with preserving the family business pending the death of his grandmother. At the same time the family was incurring these costs, the business was also competing against a new Home Depot store that had moved into the area. Home Depot is not subject to the estate tax.

Mr. President, death tax repeal is also pro-jobs. A survey of 365 businesses in upstate New York found an estimated 14 jobs per business were lost in direct consequence of the costs associated with estate tax planning and payment. That amounts to more than 5,000 jobs lost in a limited geographical area. Nationally, the Wall Street Journal reported that an estimated 200,000 jobs would be created or preserved if the estate tax were eliminated.

Mr. President, a false argument made by the opposition is that the tax code already protects family-owned businesses from the death tax. While the 1997 Taxpayer Relief Act included provisions to protect family-owned businesses from the death tax, these provisions have proven so complicated and cumbersome that few family businesses choose to use them.

For example, in order to qualify for the Family Business Exclusion, an heir has to have worked in the family business for at least five of the eight years leading up to the death of the owner. Following the death of the owner, the family must continue to participate in the business for at least five out of eight years.

Both these restrictions create significant problems for family members. How does a son or daughter know when the eight-year ''clock'' starts ticking. If their parents are elderly, do they sacrifice going to college in order to begin working in the business? Moreover, once the business is transferred, the tax deferred by receiving the Qualified Family Business designation hangs over the business for at least eight years, affecting the ability of the business to attain credit or attract investors.

Similar difficulties have been realized from other carve-outs. For example, Section 2032A allows closely-held farms and businesses to receive a valuation based upon the property's current use—say farming—rather than its ''highest and best'' use—say commercial development.

In order to qualify for the lower valuation, however, the estate and heirs must meet qualifications similar to those required for the Family Business Exclusion. Despite the obvious benefits, only a small fraction—less than one percent in 1992—of taxable estates elect to use it. The provision is simply too complicated for widespread use.

With regard to the death tax, it is proving very difficult to protect one set of assets while taxing another. A good-faith attempt was made to protect family-owned businesses from the death tax three years ago, but by most accounts that attempt has largely failed. The best way to protect family farms and businesses from the death tax is to repeal it.

I have a paper by Bill Beach of the Heritage Foundation summarizing just a few of the real life stories of farms and businesses harmed by the death tax. I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection it is so ordered. (See exhibit 2.)

Mr. CRAIG. Mr. President, repealing the estate tax is one of the more populist tax cuts considered by Congress this session. Not only do studies show the estate tax has a dramatic impact on the ability of family-owned farms and businesses to survive and create job opportunities, survey after survey has revealed that 70 to 80 percent of Americans in general are critical of the tax and supportive of its repeal. This broad-based support is evident in the number of states that have acted to repeal their state-level estate taxes. Since 1980, more than 20 states have elected to repeal their estate taxes.

Mr. President, there is no excuse for continuing a tax that confiscates capital from our most productive citizens. It's anti-growth. It's anti-jobs. It's anti-American.

Mr. President, it's time to bury the death tax.

EXHIBIT 1

DEATH TAX DEVASTATION: HORROR STORIES FROM MIDDLE-CLASS AMERICA

(By William W. Beach, Director, Center for Data Analysis, The Heritage Foundation)

The death tax is the nightmare of the American dream, as these real-life experiences from middle-class America will show.

Millions of Americans spend their adult lives working hard, sacrificing and saving, obeying the law, and doing the countless other things that official Washington has told them are the ingredients of a successful life. They are encouraged as federal laws are passed that should expand economic opportunity and guarantee that civil rights will be as much as part of the marketplace as they are a part of community life and education. Thousands of political speeches reinforce the impression they have that Washington believes the United States really is a land of opportunity and a place where the financial fruits of hard work can be used to endow the next generation's economic struggle with greater potential.

However, for those whose economic success also resulted in significant assets (like a farm, a small business, a factory, or a trucking fleet), what official Washington says is nothing less than a lie. At the end of life, the federal death tax will sweep across the profits of family-owned businesses and estates and leave in its wake millions of devastated survivors, employees, and communities. Many people whose assets will be depleted to pay the death tax unfortunately learn about estate and gift taxes so late in life that they spend their last days as frequently in the company of their tax lawyers and accountants as they do with their families.

The federal government taxes the transfer of wealth between generations at rates as high as 55 percent. At $30 billion dollars, the death tax burden in the United States is the greatest in the world. Indeed, this country owns the dubious distinction of holding the fruits of economic success in lower regard than many of its ideological and economic adversaries.

The full case for repealing federal death taxes will involve more than testimony from its victims. However, evidence of harm to the U.S. economy and public finances pales in comparison to the stories of the men and women whose economic virtues regrettably laid the basis for their own and their offspring's financial devastation. The following sampling of evidence from that anecdotal record has been compiled from testimony before Congress, newspaper articles, and statements of family members whose lives were changed by federal death taxes.

THE DEATH TAX HURTS FAMILY FARMS AND RANCHES

The death tax destroys family businesses and farms, and forces families to spend their hard-earned money on lawyers, accountants, and life insurance policies to deal with it. The Public Policy Institute of New York found a negative relationship between anticipated death tax liability and growth in employment, particularly for growing firms. Business owners are afraid to hire new people and expand their businesses when they face the death tax. The reason is simple: Hiring new people is optional; paying taxes on the family estate is not.

Family Farm Horror Story #1

Tim Koopman's family has owned ranch property in California for most of this century. His children would like to continue to run the ranch, but the death tax may prevent this.

Since Tim's mother died four years ago, the Koopman's have paid about $400,000 in death taxes. For three of those years, however, Tim has been able only to pay the interest on the death tax bill, and soon he will not be able to pay that without selling some or all of his land. This is a decision that he does not want to face. This land is an important part of his life.

The Koopman's faced the death tax once before. In 1973, Tim was forced to sell one of the family's ranches to pay the $125,000 death tax bill that he owed when his father died. Now the family faces the death tax again. Tim wants to pass the ranch on to his children, but the hefty death tax may leave little ranch for him to do so.

Family Farm Horror Story #2

Lee Ann's family owns a ranch in Idaho. They have lived there for three generations, providing jobs for the local economy and helping to create a strong community. The family did not acquire a lot of material wealth, so it came as a great shock when the government hit them with a $3.3 million death tax bill after their father's death.

Although the death of Lee Ann's father was devastating, the death tax bill made it worse. The family had no debts and owned their land outright; they thought they had nothing to tax. However, their land had increased in value enough to trigger the death tax. Lee Ann's mother, who has been under tremendous strain since her husband's death, is haunted by the realization that after she dies, her family may lose the ranch because of this tax.

Another concern is who will buy the ranch if they are forced to sell. Lee Ann worries that, as is the case with so many other properties, the purchaser will not be another family rancher, but rather a wealthy absentee owner who flies in once or twice a year for a vacation. This has been happening more frequently in Idaho, and the sense of community that Lee Ann enjoyed for most of her life is quickly being lost.

Family Farm Horror Story #3

Robert Sakata is a 42-year-old vegetable farmer from Brighton, Colorado. Back in 1944 his father paid $6,000 for 40 acres of land to begin a family farm. Six years later, he purchased additional land for $700 an acre. Today, the elder Sakata is 73 and owns 2,000 acres of farmland near the Denver International Airport—a piece of land worth nearly $380 million.

This might seem like a wonderful situation for the Sakata family, yet the family owns no other investments; after the elder Sakata and his wife pass away, Robert will face a tax bill of over $200 million. Robert has admitted that he would have to sell off half the farm and lay off many of his 350 workers ''who are like family.'' ''We don't live like millionaires,'' Robert has stated. ''We're just trying to sustain a family business.''

They will have a difficult time. the death tax will force them to lay off workers and sell land that has been part of the family for more than five decades. This treatment of hardworking successful citizens is hardly the story line for an American dream.

THE DEATH TAX THREAT TO FAMILY BUSINESSES

The Center for the Study of Taxation found that three out of four families faced with liquidating all or part of their business to pay the death tax would have to cut their payroll in the process. Moreover, studies by the Institute for Policy Innovation (IPI) and Congress's own Joint Economic Committee have found that the death tax costs communities more in lost jobs and lower economic growth than it raises for the U.S. Treasury.

Family Business Horror Story #1

After her father's death from cancer, Terry Deeny, like many Americans, could not reflect on her personal loss, spend time with her family, and build family cohesion. Instead, death taxes forced Terry to concern herself with her family's survival. As Chairman and CEO of Deeny Construction Co., Terry watched as payment of the death taxes drove her company deeply into debt. She had no choice but to lay workers off, sell much of the company machinery, and stop many business transactions that had kept the business alive. ''We barely survived. It was not an American dream; it was an American nightmare.''

It is hard for people like Terry to find justification for the federal government to force Americans to scrounge for money in order to pay a tax that puts many into debt, especially when the money otherwise could be used to help create jobs and enable even more citizens to achieve the American dream.

Family Business Horror Story #2

Barry, an entrepreneur in Kentucky, likens the death tax to the old saying about sheep: Slaughter your sheep and you will get dinner for a night. Shear it and you will get a lifetime of wool. By endangering the future of his family's business, the death tax is threatening his employees' livelihoods as well as costing the government future revenue.

For three generations, Barry's family ran their own business in Kentucky. Today, they own 20 gas stations and convenience stores and employ about 100 people. However, Barry's father is growing older and would like to pass on the business.

According to Barry, the family has spent a significant amount of money on accountants and attorneys in preparation for shifting ownership of the businesses from his father to Barry's generation and the grandchildren. Family members have purchased insurance and have gone through rewriting several wills and trusts. ''It's something you continually update,'' Barry says; ''every time a new grandchild is born, we have to revise the will and trusts.''

The death tax also affects the ability of Barry's businesses to grow. New opportunities take time to develop, but between worrying about how to pay the death tax and meet other federal regulations, Barry finds it is harder to pursue new opportunities. In the end, the businesses and their communities suffer.

Family Business Horror Story #3

Clarence owns a farming and lumber business in North Carolina. He provides jobs to 70 people in the community who work on his three small farms, in his fertilizer and tobacco warehouse, and at a small lumber mill. His family has worked hard for four generations to build the business. However, all this may be lost when Clarence dies and his family is faced with enormous death tax bill.

Clarence has tried to reduce the burden of the death tax. He has intentionally slowed the growth of his business, hired lawyers, purchased life insurance, and established trusts—all to create a plan that he hopes will enable his children to keep the family business when he dies.

But all that work and planning may not be enough. Clarence figures that his son will owe the federal government about $1.5 million upon his death—a difficult sum for most people to raise, but especially so for a man who makes $31,000 a year. It will be impossible for his son to pay that much, so he may have to sell all or part of the business. It would be the fourth time that Clarence's family will have had to pay the death tax. The federal government, in the end, will have destroyed the work of four generations.

Family Business Horror Story #4

Everett has been in the newspaper business for 30 years. His company publishes six weekly papers in northern California and the telephone directory for two counties. He employs 97 people. From his first small weekly paper, Everett has built his company into a $3 million business.

Nevertheless, all the hard work may be for naught. Everett's wife died two years ago, and he placed her share of the corporate stock in a trust for their daughter. His daughter and her husband, who is the publisher for all the business's publications, will still face a hefty death tax that may cause them to lose the business when Everett dies.

For years, the number of small, family-owned weeklies has been declining in northern California. The people who work for the weeklies and the small towns that depend on these newspapers for information and entertainment will suffer when these businesses shut down. Abolishing the death tax would help preserve the legacy of hard work and dedication that thousands of families like Everett's have given to their communities.

Family Business Horror Story #4

Wayne Williams' family has owned a telecommunications and video communications business in Washington since 1982. The family's philosophy is that it is important to reinvest profits in employees, new products, and expanding opportunities. The company has maintained a commitment to improving the local community and tied most of its financial worth up in the business. That means Wayne does not have the cash on hand to pay the death tax when his parents die.

So Wayne has had to take other measures to save his family from the devastation of the death tax, including scheduling gifts, buying life insurance, and slowing reinvestment in the firm. This last action does not mesh well with the family's philosophy of reinvesting profits, but the death tax makes it necessary.

The fact that thousands of family businesses are in the same fix explains why eliminating the death tax is the number one priority of so many owners of small businesses. It also could explain why a majority of Americans agree that the death tax is simply unfair and should be eliminated.

Family Business Horror Story #5

David Pankonin, whose story first appeared in the Wall Street Journal, is the fourth-generation owner of Pankonin's Inc., in Nebraska. David's great-grandfather established this retail farm equipment company in 1883 in Louisville, Nebraska. The business has been handed down there times through the family, and David hopes that some day he will be able to hand it down to his own son. He worries because the odds—and the estate tax laws—are against him.

Only 30 percent of businesses survive a first intergenerational transfer. Only 4 percent survive to the next generation. A third transfer—the transfer that put Pankonin's in David's hands—usually has survival odds of less than 1 percent. Now David wonders if the business can survive another transfer. In his words, ''Will I be able to pass the company inherited from my father along to my son or, in spite of what my will might say, am I just working hard to pay an heir called Uncle Sam?''

THE DEATH TAX THREAT TO THE ENVIRONMENT

When people think about the death tax, they tend to focus on its devastating effect on family businesses and farms. However, the death tax also hurts the environment. Many landowners, especially those in rural areas, are ''land rich, but cash poor.'' If the owner of a family business dies, the heirs often will have to sell their assets because they do not have enough money to pay the death tax. Since land is valued at its ''highest and best use,'' they must sell to developers in order to raise the necessary cash.

Impact on the Environment Case #1

The Hilliard family is a good example of how the death tax hurts the environment. The family was forced to sell 17,000 acres of land in southern Florida to developers to pay its death tax bills. So far, 12,000 acres have been developed; the rest will soon follow. The family did not intend to sell the land before the death tax bill and had not made plans to develop it.

The Hilliard's land is in the heart of Florida panther habitat. The panther, an endangered species, requires a large amount of land to survive. The death tax indirectly threatens the panther's habitat every time it forces local Florida's landowners to sell their land to real estate developers.

Today, over 75 percent of species listed under the Endangered Species Act rely on privately owned land for some or all of their habitat. The death tax creates a huge burden for those that wish to keep their land undeveloped.

TAX AVOIDANCE

Historically, the death tax brings in only about 1 percent of total federal revenues. Yet, the costs to administer and collect the death tax, including litigation, as well as the costs of its economic effects can add up to 65 cents on every dollar collected. That means net revenue collected from this onerous tax is just nearly one-third of the total tax collected.

According to the Institute for Policy Innovation, the death tax costs the economy almost as much as it raises for the federal government. This is because the death tax harms the most potent engine of growth in the economy—America's small businesses and their employees. The IPI study found that if Congress repealed the death tax today, the increase in economic growth that resulted from this reform would replace any loss to the U.S. Treasury by the year 2010.

A 1996 Heritage Foundation analysis of death taxes using the WEFA Group U.S. Macroeconomic Model and the Washington University Macro Model found that, if the estate tax had been repealed in 1996, then over the next nine years: The U.S. economy would average as much as $11 billion per year in extra output; an average of 145,000 additional job could be created each year; personal income could rise by an average of $8 billion per year above the current projections; and the extra revenue generated by the additional growth in the economy would more than compensate for the meager revenue losses stemming from the death tax's repeal.

Wasted Resources Case #1

Robert, an entrepreneur, began investing in Northern California real estate early in life, making large profits from the resale of his land. He used the profits to invest in a vineyard in Napa Valley that now has a fair market value of $20 million.

Robert planned on leaving the vineyard to his children. Two of his three children work on the vineyard already and they would like to continue to do so. However, Robert is afraid that when he dies he is going to have to leave all that he has worked hard to build to the federal government, rather than to his children. To make sure his legacy lives on, Robert has spent approximately $50,000 on legal, accounting, and appraisal bills.

He is also making annual $10,000 gifts to his children and has given away 45 percent of his winery to his children. He has changed his company from a sole proprietorship to a limited liability company, and has formed a family limited partnership for the vineyards.

Wasted Resources Case #2

Richard Forrestel, Jr., of Akron, New York, has spent a substantial amount of time and effort to avoid the devastation wrought by the death tax. Forrestel's father founded Cold Spring Construction Company. Forrestel stated that, ''My family's construction company has already wasted over $4 million 1980 in insurance purchases and stock redemptions solely in order to be able to pay the death tax.'' ''I wish death tax proponents would tell the truth—they simply want to redistribute wealth,'' continues Forrestel. ''The American dream of my father should not be broken up and sent to Washington when he dies.''

Each day, hundreds of Americans spend more and more money in an attempt to shelter as much of their estate as possible from taxation after they pass away, so that their offspring can benefit from their years of hard work. This money could have been reinvested into the company, creating more jobs and helping more Americans in their daily lives, but the death tax makes this almost impossible.

Wasted Resources Case #3

Ronald works at a steel manufacturing plant his father started in Philadelphia in 1952. Its stainless steel plate products are sold to other manufacturers for various uses. Ronald and his brother have been working with their father to develop an estate plan to smooth the transition of ownership from the second generation to the third.

However, this task has been difficult. Ronald does not have 55 percent of his business assets in cash so, that he can pay off the death tax bill when his father dies. So, he has to spend his precious time and money on lawyers and insurance agents. He has to stop the growth of his plant to ensure he can pay the tax bill. The death tax means that Ronald cannot buy a new price of equipment or hire a new employee because he must spend his extra money on lawyer's fees.

Wasted Resources Case #4

Helen and her husband dreamed of owning a community newspaper. After years of planning, they finally realized their dream in 1965 and bought a small, struggling weekly paper in northern Georgia. They invested all their savings and have turned that small paper into a $2 million business that publishes three other weeklies as well.

Helen is worried that all of their hard work will go to waste when she and her husband die. She would like to pass the business on to her sons, but she may not be able to if the government hands her a 55 percent death tax bill. Her family has spent thousands of dollars already in legal fees to ensure she can pass her business on as she and her husband hope, but this still may not happen. The 55 percent death tax will be levied on the family estate despite all the corporate and personal taxes they have paid through the years.

Wasted Resources Case #5

The family business of Michael Coyne has lasted through three generations across 67 years. What started as a small New Jersey lumber company in 1932 has grown into three home improvement stores and a separate kitchen and bath store. However, the same business that made it through the ravages of the Great Depression and the shortages of World War II may not survive the death tax.

Michael's experience with death taxes began 10 years ago when his grandfather passed away. The majority of the estate was left to his grandmother; though they obtained appropriate legal representation and death tax planning, it became clear that the business would not survive after his grandmother's death.

Michael and his family have contributed more than just stability to their community for generations. They employ 70 people, and they have paid all their taxes. Yet for the past 10 years, they have been forced to spend over $1 million on life insurance policies, lawyers, accountants, and other efforts to protect the business from the death tax. Despite these efforts, the family faces a death tax bill in the millions of dollars. The business might not survive.

CONCLUSION

Even though many countries such as Australia and Canada do not have a death tax, the United States continues to reserve its highest marginal tax rate of 55 percent for estates that involve family farms and businesses. The lowest rate imposed by Washington (37 percent) is nearly twice the average death tax rate of 21.6 percent in 24 other countries that do impose death taxes. And while most countries impose a top rate on estates of $4 million or more, the top death tax rate in this country is imposed on estates valued $3 million or more. This policy is wrong in a country that built its future on the idea that with enough hard work and determination anyone could move up the economic ladder.

By eliminating the death tax, Congress could put more money in the pockets of Americans who in turn, would give more to their favorite charities and to their communities during their life times as well as after death. While the death tax was supposed to be a tax on the rich, American families who work hard to build a family business or farm and their employees of are the ones most often left paying the bill. The mathematics are simple: The tax rate on a worker who loses his other job as a result of the death tax is 100 percent. Clearly, with estimates of the federal budget surplus now exceeding $1.87 trillion over the next ten years, it's time to do away with this faulty tax policy.

Mr. LEAHY. Mr. President, in Vermont, small businesses and family farms form the backbone of our economy. I have always been a strong supporter of targeted estate tax relief for these family-owned farms and small businesses. Targeted relief would help families in Vermont keep their property intact and in the family.

What we have are two very different approaches to estate tax relief.

Under the Republican proposal, H.R. 8, relief from the estate tax would be phased in gradually over ten years and the initial benefits would be directed towards the wealthiest estates, those valued at over $20 million. Under this proposal, not a single small business or family farm would be removed from

the tax next year or even 9 years from now. That is because H.R. 8 does not actually repeal the estate tax until the next decade. This proposal would cost American taxpayers $105 billion in the first ten years and $50 billion in each year after that.

Under the second proposal, the Democratic Alternative put forth by Senator MOYNIHAN, thousands of additional farms and small businesses would be exempt from the estate tax in the very first year after its enactment. Under the Democratic Alternative, business owners and farmers would be able to leave $2 million per individual and $4 million per couple without paying estate tax in 2001. By 2010, business owner's and farmer's assets totaling $8 million would be exempt. This proposal would cost approximately $64 billion over 10 years.

We now have a choice between a proposal that would provide immediate relief to small business owners and farmers at a cost we can afford and a fiscally irresponsible measure that would provide a windfall to the wealthiest estates at a high cost to Vermonters and the American public. I choose the affordable, immediate, targeted relief that we have with the Democratic proposal—a proposal that I believe is a better deal for Vermonters.

The Republicans have stated that H.R. 8 is designed primarily to help small businesses and family farms. But who would benefit the most from this proposal? I think an article on the front page of the Business Section of today's New York Times sums it up well, and I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

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

(See Exhibit 1.)

Mr. LEAHY. The New York Times article said that had the estate tax been repealed in 1997, as the Republicans now propose, more than half of the tax savings would have gone to the slightly more than 400 individuals who died that year leaving estates valued at $20 million or more. Only about 400 estates in the entire nation, Mr. President.

In other words, under the Republican proposal, once again, only the wealthiest individuals would reap the majority of the benefits. Only gradually would any benefits trickle down to the small business owners and farmers who Republicans are professing to help. Under the Republican proposal hard working Vermonters would bear the burden of a windfall to the wealthy.

In Vermont, in 1998, 227 estates were subject to the estate tax. If the Republican proposal were adopted in 1997, not a single one of those estates would have been removed from the rolls in the following year. Under the Democratic Alternative, small business owners and farmers would have received immediate relief. When all is said and done, with the Democratic Alternative, approximately two-thirds of all estates would not be subject to the estate tax.

Do we want relief for our farmers and small business owners now, at a cost we can afford? Or do we want an unworkable partisan solution that will lead inevitably to a presidential veto, endless debate, and empty campaign slogans? I think that Vermonters deserve the immediate relief that is available under the Democratic proposal, relief that would keep small businesses and family owned farms intact, relief that is balanced and affordable.

EXHIBIT NO. 1

[From the New York Times, July 13, 2000]

DEMOCRATS' ESTATE TAX PLAN IS LITTLE KNOWN

(By David Cay Johnston)

Small business owners and farmers whose Washington lobbyists are ardent backers of a Republican-backed plan to repeal the estate tax seem largely unaware that President Clinton—who has vowed to veto the Republican proposal—has said he would sign legislation that would exempt nearly all of them from the tax staring next year.

Business owners and farmers would be allowed to leave $2 million—$4 million for a couple—to their heirs without paying estate taxes under the plan favored by the President and the Democratic leadership in Congress. The Republican proposal, which passed the House last month with some Democrats' support and is being debated in the Senate this week, would be phased in slowly, with the tax eliminated in 2009.

Supporters of the Republican plan say the tax is so complicated that eliminating it is the only effective reform; they argue that the nation's growing wealth means more estates will steadily fall under the tax if it remains law on the Democratic proposal's terms.

Still, had the Democratic plan been law in 1997, the last year for which estate tax return data is available from the Internal Revenue Service, the estates of fewer than 1,300 owners of closely held businesses and 300 farmers would have owed the tax.

According to the data, 95 percent of the roughly 6,000 farmers who paid estate tax that year would have been exempted under terms of the Democrats' plan, as would 88 percent of the roughly 10,000 small-business owners who paid the tax.

Had the estate tax been repealed in 1997, as the Republicans now propose, more than half of the tax savings would have gone to the slightly more than 400 individuals who died that year leaving individual estates worth more than $20 million each.

Two prominent experts on estate taxes said yesterday that the Democrats were offering a much better deal to small-business owners and farmers, because the relief under their bill would be immediate and the estate tax would be eliminated for nearly all of them.

''The fact is that the Democrats are making the better offer—and I'm a Republican saying that,'' said Sanford J. Schlesinger of the law firm of Kaye, Scholer, Fierman, Hays & Handler in New York. With routine estate planning, he said, the $4 million exemption could effectively be raised to as much as $10 million in wealth that could be passed untaxed to heirs. Only 1,221 of the 2.3 million people who died in 1997 left a taxable estate of $10 million or more, I.R.S. data shows.

Neil Harl, an Iowa State University economist who is a leading estate tax adviser to Midwest farmers, said that only a handful of working family farms had a net worth of $4 million. ''Above that, with a very few exceptions, you are talking about the Ted Turners who own huge ranches and are not working farmers,'' he said.

Mr. Harl said he was surprised that farmers were not calling lawmakers to demand that they take the president up on his promise to sign the Democratic bill.

One reason for that may be that in leading the call for repeal of the tax, two organizations representing merchants and farmers—the National Federation of Independent Business and the American Farm Bureau Federation—have done little to tell members about the Democratic plan. Interviews this week with half a dozen people whom the two organizations offered as spokesmen on the estate tax showed that only one of them had any awareness of the Democratic proposal.

Officials of the business federation and the farm bureau said that in the event full repeal failed, they might push for approval of the Democratic plan. But both groups say outright repeal makes more sense.

''My concern is not over the Bill Gateses of the world,'' said Jim Hirni, a Senate lobbyist for the business federation. ''But we have to eliminate this tax, because it is too complicated to comply with the rules. Instead of further complicating the system, the best way is to eliminate the tax, period.''

A farm bureau spokesman, Christopher Noun, said that the Democrats' plan appeared to grant benefits that would erode over time. ''Farmers are not cash wealthy, they are asset wealthy,'' he said. ''And those assets are only going to continue to gain value over the years. So while some farmers may not be taxed now under the other plan—10 or 15 years out they will.''

Whether the proposal to repeal the tax dies in the Senate or is passed and then vetoed by the President, it will become a powerful tool for both parties in the fall elections. The Republicans will be able to paint themselves as tax cutters who would carry out their plans if they could just win the White House and more seats in Congress. The Democrats could try to paint the Republicans as the party that abandoned Main Street merchants and family to serve the interests of billionaires.

A vote in the Senate could come as early as this evening.

At the grass roots, however, those who would benefit from any reduction in the scope of the estate tax take a much more pragmatic view of the matter.

''The whole reason I took up this cause is I do not want to see another small family business get into the situation we are in,'' said Mark Sincavage, a land developer in the Pocono Mountains of Pennsylvania whose family expects to sell some raw land soon to pay a $600,000 estate tax bill to the federal and state governments.

The independent business federation cited Mr. Sincavage's situation as an especially good example of problems the estate tax causes its members who are asset rich but short on cash. Facing similar circumstances is John H. Kearney, a Ford and Lincoln dealer in Ravena, N.Y., who said he ''got slammed pretty hard'' when his father died last year. Most of his father's $1.6 million estate was in land and the car dealership, said Mr. Kearney, who added that he dipped into savings intended for his children's education to pay the estate tax bill.

Neither Mr. Sincavage nor Mr, Kearney said he was aware of the Democrats' plan to roll back the tax.

But Mr. Kearney said his interest was in reasonable tax relief so that merchants and farmers could continue to nurture their businesses, not in helping billionaires.

''No part of me has any sympathy for people with more than $5 million,'' he said. ''Would I feel terrible if all they did was raise the exemption to $4 million or $5 million? I would say from my selfish standpoint

that we have covered the small family farm and small business and thus we achieved what we wanted to achieve.

''But I would still be asking: Is it really a moral tax to begin with? And that's a point you can argue a hundred different ways.''

Carl Loop, 72, who owns a wholesale decorative-plant nursery in Jacksonville, Fla., said he favored repeal, partly because estate tax planning was fraught with uncertainty.

''The complexity of it keeps a lot of people from doing estate planning because they don't understand it,'' Mr. Loop said. ''And they don't like the fact that they have to give up ownership of property whole they are alive.''

Professor Harl, the Iowa State University estate tax expert, said that he had heard many horror stories about people having to sell farms to pay estate taxes. But in 35 years of conducting estate tax seminars for farmers, he added, ''I have pushed and hunted and probed and I have not been able to find a single case where estate taxes caused the sale of a family farm; it's a myth.''

Mr. ENZI. Mr. President, I rise in support of the Death Tax Elimination Act of 2000. The time has come to stop death from being a taxable event.

The repeal of the Federal death tax is one of the top priorities for tax reform in my home State of Wyoming. The reason is simple—Wyoming is made up almost exclusively of small businesses, and the Federal death tax hits small business owners the hardest of any group in society. Many of the small businesses in Wyoming are in the agricultural sector—ranching and farming businesses that have been built up by families working together to help feed Wyoming and America. These farms and ranches not only provide a great service to our State and the country as a whole by helping provide food that we eat every day, but they are an integral part of the western way of the life. All too often, I have heard the painful stories of families who were forced to sell their ranches or farms just to pay the taxes when their parents pass away. The death tax chips away at our very way of life in the West and elsewhere and should be abolished.

The death tax discourages thrift and pierces the very heart of the American economy—small businesses. We should never forget that small businesses are the backbone of the American economy. The simple fact is that most businesses in this country are small businesses. Out of the nearly 5.5 million employers in this country, 99 percent are businesses with fewer than 500 employees. Almost 90 percent of those businesses employ fewer than twenty employees. Since the early 1970s, small businesses have created two out of every three net new jobs in this country. This remarkable job growth continued even during periods of slow national growth and downturns when most large corporations were downsizing and laying off workers. Small businesses employ more than half of the private sector workforce and are responsible for producing roughly half of our nation's gross domestic product. By punishing small businesses, the Federal death tax stifles our economy, discourages ingenuity, and threatens the economic security of many of our families.

The Federal death tax also tears at the bonds that unite parents and children and families and communities. The family business has historically been one of the primary means for children to learn skills and virtues that help them throughout their entire lives. I know many of the hard-working men and women in Wyoming who run our State's family ranches and farms. The whole family pitches in to harvest the crops, feed the livestock, mend the fences, fix the irrigation ditches, plow the roads, herd the sheep and cattle, and plan for next year's crops or herds. Children learn that hard work and responsible planning are necessary ingredients for success in work as in life. They learn respect for the land that is their livelihood. They learn to appreciate the labor of their parents and grandparents and they realize their own labor is an investment in their future and the future of their children.

Unfortunately, we live at a time in America when there are all too many forces in our society telling our children that everything goes and that instant gratification is the only goal in life. It we as policymakers want to curb this trend, if we want to teach our children the importance of personal responsibility, hard work, and investment in their future, we should encourage family-owned businesses which are one of the domestic classrooms for teaching our children these time-honored virtues.

I have a little experience in operating a small business myself. My family and I ran a couple of small family-owned shoe stores in Gillette, WY. We didn't have separate division for merchandising and marketing. We didn't have an accounting department to sort out the complicated tax code. We all wore many hats. We had to sell the shoes, balance the books, keep track of our inventory, and straighten out the shelves. We had to sweep the sidewalks when we opened in the morning and at the end of a long day, we had to clean the floors and organize the store room. Let me tell you that we all learned to pitch in to get the job done. We learned to work together and we learned to appreciate the hard work and sacrifices each of us made to keep the store running smoothly.

We also learned firsthand the importance of living by the golden rule. If you don't treat your customers well in the retail business they don't forget. This is especially true of folks in small towns where there are always a few people who remember what you did as a kid and who can even tell you stories about your parents and grandparents. The joy is, they also remember you when you treat them well. The family-owned business is an important means we have in America of passing on our heritage from one generation to the next.

Our tax code represents our tax policy and we should be ashamed at a code which punishes families and stifles our economy. Every year our tax code forces thousands of families to sell their businesses just to pay the repressive Federal death tax. It is time we correct this injustice by eliminating the death tax. I commend Chairman ROTH for his diligent work bringing this bill to the floor. I also commend Senator KYL, who has been a tireless advocate for the repeal of this tax ever since he came to the United States Senate and who made an important contribution to the legislation before us today. I urge my colleagues to join me in standing up for America's small businesses by putting the death tax permanently to rest.

Mr. HOLLINGS. Mr. President, since the beginning of the fiscal year, the national debt has increased, not decreased. Since we have been running a deficit and there is no surplus, any tax cut or loss of revenues only increases the debt rather than paying down the debt. Accordingly, I oppose the telephone tax cut, and I oppose this estate tax cut. As John Mitchell used to say, ''Watch what we do, not what we say.'' We say pay down the debt but we increase it.

Mr. LEVIN. Mr. President, I oppose the Republican proposal to repeal the Federal estate tax and support the Democratic alternative proposal to provide relief from the estate tax to those who need it most—small businesses and family farms.

The current estate tax was first enacted by Congress in 1916, partly at the behest of President Theodore Roosevelt. Teddy Roosevelt was right. It's appropriate to tax a little more those who have prospered greatly from the American political and economic systems in order to provide some assistance to those who have also worked hard but have fallen behind. That's the basic tenet of our progressive system of taxation. Roosevelt was also correct that the tax should not discourage people from seeing to it that their children are well-off, but rather be aimed at immense fortunes. That is why I support the Democratic proposal to reform the estate tax to provide prompt relief to small business owners and farmers, rather than the Republican proposal to repeal it gradually over the next ten years, but totally for even the greatest fortunes while making small businesses and farmers wait for relief.

The Democratic proposal targets tax relief to persons with more modest estates and to small businesses and family farms and it does so at a more reasonable cost. By increasing the exemption for Qualified Family-Owned Business Interests from its current level of $2.6 million per couple to $4 million per couple in 2001, the Democratic alternative provides immediate relief by removing altogether more than 90 percent of family farms and more than 60 percent of small businesses from the estate tax rolls. In stark contrast, the Republican plan removes no one from the estate tax burden for another 10 years.

In addition to providing relief immediately, the Democratic proposal does so at a more reasonable cost—$64 billion over 10 years, compared to $105 billion for the Republican repeal. This $40 billion difference can and should go to other important national priorities—such as a prescription drug benefit for Medicare, making a college education more affordable, extending Medicare's solvency, or reducing the national debt. But the Republican repeal will cost much more than that. In its second 10 years, 2011–2020, the same decade in which the baby boomers begin to retire and place enormous strains on the Medicare system and on Social Security, the Republican repeal is estimated to cost up to $750 billion. To give such a huge tax cut to a few thousand of the wealthiest among us at the expense of important national priorities for our children, grandchildren, and senior citizens is simply wrong.

I believe that taxes should be distributed fairly among all Americans. I also believe that we have a responsibility to protect Medicare and Social Security, to pay down the national debt, and to make the investments in health-care, education and other key areas that will keep America strong in the future. The Democratic estate tax reform plan is consistent with these goals. The Republican plan puts them at risk.

Mr. KENNEDY. Mr. President, I am disappointed that the Senate has taken four days now to debate the estate tax before making any real progress on education, health, or debt reduction. Democrats agree that owners of small businesses and farms need relief from this tax, and if the Republicans had worked with us, this problem could have been solved long ago. Instead, our Republican colleagues are holding small business owners and farmers hostage as their excuse to provide an enormous windfall to the wealthiest 1 percent of taxpayers—people who have an average income of over $800,000 a year. The repeal of the estate tax that they seek, costing over $50 billion a year, is the ultimate tax break for the wealthy, and any repeal bill will eminently deserve the veto that President Clinton has promised if it reaches his desk.

The Senate has much higher priorities that we should have addressed this week. Tens of millions of senior citizens face a crisis because they can't afford the prescription drugs they need. The extraordinary promise of fuller and healthier lives brought by new prescription drugs is beyond their reach. They need help to afford these life-saving, life-changing miracle drugs. But instead of doing the work that is needed to enable all seniors to access the prescription drugs they need, the Senate spends day after day doing the bidding of a few thousand of America's wealthiest citizens.

We send tens of millions of young children to dilapidated, crumbling, over-crowded schools with underpaid teachers each day—yet we stand here debating a bill to repeal the tax on multi-million dollar estates.

Millions of working men and women and their families struggle to survive on the minimum wage at its current unfair level of $5.15 an hour. The Republican Senate has no time to meet their needs—yet the time of the Senate is instantly available to those who make thousands of dollars each hour.

Congress has not found time to resolve any of the daily problems facing the vast majority of the nation's working families, its senior citizens, and its school children. In this ''do-nothing Congress,'' the list of priority matters on which nothing is done goes on and on—gun safety, the patients' bill of rights, protecting children from tobacco, protecting the environment. There is no time for any of these issues—but there is always time to help millionaires and even billionaires reduce their taxes. It is obvious where the priorities of our Republican friends lie.

All Americans should take a clear look at what the Republicans really want when they propose a full repeal of the estate tax. Current law now taxes only the largest 2 percent of all estates. No one else pays any estate tax. Today anyone can bequeath unlimited resources to a spouse completely free of the estate tax, and $675,000 to anyone else—again completely without tax. Present law already exempts up to $1.3 million for family-owned businesses and farms.

We Democrats seek to substantially raise these exemptions so that next year, no one pays the tax on the first two million dollars in value of any estate, and by 2010, no one pays the tax on the first four million dollars in value of any estate. The Democratic plan affords owners of small businesses and family farms double these exemptions, so that couples who own a small business or family farm worth up to $8 million would pay no estate tax at all. If a business or farm is worth over $8 million, only the portion over $8 million in an estate is taxed under the Democratic plan. The Democratic plan will eliminate all estate taxes for more than half of those who currently pay them. I stand with my Democratic colleagues in fully supporting this common sense approach to estate tax reform.

Estate tax repeal, however, is simply a boon for the three thousand largest estates each year, valued not in millions, but in the tens of millions of dollars. These huge estates are the only ones significantly affected by the estate tax.

Currently, over half of all estate taxes are paid by the top one tenth of the wealthiest one percent—estates worth more than $5 million. There are fewer than three thousand of these estates out of the 2.3 million Americans who die each year. According to an analysis by the Citizens for Tax Justice, 91 percent of the tax benefits from repeal of the estate tax would go to the top 1 percent of taxpayers—who have an average annual income of $837,000. As Treasury Secretary Lawrence Summers has said, repealing the estate tax would qualify as the most regressive and back-loaded tax legislation ever.

Republicans don't want to talk about who will really benefit from this enormous tax cut. Instead, they talk about the plight of small family owned farms and businesses. What they don't tell you is that these family owned small businesses and farms account for less than ten percent of estate taxes today.

We could act now—and we should—to help families keep their farms and businesses when the owner dies. This concern is legitimate—but it does not justify eliminating the entire estate tax. The estate tax problem for small businesses and family farms could be solved at a fraction of the cost of the Republican bill. Our Democratic proposal provides full relief to these families.

If helping owners of small farms and businesses were the Republicans' real goal, they would join us to pass the Democratic estate tax reform overwhelmingly. After all, the Democratic plan exempts almost all owners of small businesses and farms immediately, while the Republican plan takes ten years before exempting anyone. Republicans obviously know that giving immediate relief to family farms and small firms will take away any pretext at all for the enormous windfall that they want to give the richest taxpayers. They know they can never explain the real purpose of their estate tax repeal to the voters—so they are holding relief for small business owners and small farmers hostage to their unacceptable larger scheme for helping the super-rich.

The people whom the Republican leadership is really working for—but whom they don't want to mention—are those few people who inherit the 3,000 estates each year that are worth more than $5 million. These estates are one in every thousand estates—yet they pay over half of the current estate tax. When pressed to explain why these estates need to have taxes eliminated entirely, Republicans respond vaguely in terms of ''fairness.'' They never explain why it is fairer to tax the earned income of working families than the unearned inheritance of the wealthiest families in America. That is a fairness issue they never want to talk about. There is nothing compassionately conservative about repealing the estate tax.

Republican President Theodore Roosevelt thought the estate tax was fair when he proposed it a century ago. He believed then and we believe today that those who have the largest financial resources have an obligation to help provide for the basic needs of the less fortunate members of this community. Obviously, today's Republicans don't share Teddy Roosevelt's values.

The supporters of the Republican estate tax repeal have also carefully designed it to conceal its real long-run cost. Under their scheme, full repeal

would not occur until the year 2010. When fully phased in, the repeal will cost over $50 billion a year. The cost of repealing the estate tax will be nearly three quarters of a trillion dollars in the second ten years. This nation cannot afford to devote three quarters of a trillion dollars to repealing the estate tax. The 98 percent of Americans who would receive no tax relief from repeal of the estate tax know it is unfair to spend this vast amount on the wealthiest taxpayers.

Let's consider what $50 billion a year can accomplish for the American people—if we don't repeal the estate tax. It is more than the entire budget for the Department of Education. We could double the federal investment in schools—provide smaller classes with better teachers, state of the art computer technology for every classroom, and modern school facilities across the nation. We could double the financial assistance for college students.

Consider what $50 billion a year could do for senior citizens. It is $10 billion more than is needed to fully fund prescription drug coverage for all elderly Americans under Medicare.

We have a bipartisan congressional goal to double the funding for medical research through the National Institutes of Health and improve the health of our entire nation. Fifty billion dollars a year would allow us to virtually triple the NIH budget.

These are the most pressing needs of the American people—not repeal of the estate tax.

Astonishing as it may seem, I have heard my Republican colleagues stand on this floor and claim that the projected budget surplus enables us to easily afford their estate tax repeal. But by the time their law is fully effective in 2010, it will cost the Treasury over $50 billion each year, rising to $750 billion over ten years.

Repeal of the estate tax would also cost the country billions in charitable contributions. A Treasury Department analysis estimates that it would cause charitable contributions to be reduced by $6 billion per year. Colleges that rely on donations to build buildings and provide scholarships would be hurt. Medical schools that rely on donations to conduct medical research would be halted. Public Hospitals that rely on donations to buy equipment and buildings would have to cut back on their ability to provide health care. Shelters that rely on donations to keep people warm and fed would have to turn more people away. Six billion dollars is precious to the non-profit sector of this Nation.

The entire Department of Education will have budgeted $48 billion in fiscal year 2005. You don't hear Republicans saying we can easily afford to double education spending. Instead, during the recent debate on the Labor-HHS appropriations bill, we repeatedly heard our Republican colleagues say that they had to compromise among competing meritorious priorities to fit within their limited budget. They have ample money for the super-rich—but nothing for students in crumbling schools.

The same is true for prescription drugs. President Clinton's proposal would cost about $40 billion in 2010, the year before Republicans want to begin giving over $50 billion each year in tax breaks to the wealthiest of all Americans.

I vote for prescription drugs over estate tax repeal. I vote for education over estate tax repeal. I vote for medical research over estate tax repeal. This issue should not even be a close question for 98 percent of Americans.

The Republican Party is living up to its reputation as the ''Let Them Eat Cake'' Party.

What do they propose for senior citizens who desperately need prescription drugs? Republicans say, ''Let them eat cake.''

What do they propose for schools and students? Republicans say ''Let them eat cake.''

What do they propose for workers struggling to survive on the minimum wage? Republicans say, ''Let them eat cake.''

What do they propose for the richest 1 percent of taxpayers? A $50 billion annual windfall at the expense of America's hard-working families.

I say, ''Let them eat cake'' will work no better for the Republican Party than it did for Marie Antoinette.

Mr. GRAMS. Mr. President, I rise to make a few brief follow-up remarks about the repeal of the unfair and unjust death tax. As I said before, it is the family farms and small business owners that the death taxes particularly harm, not the rich, as our colleagues from the other side of aisle claim.

Mr. President, the death tax hurts average American workers as well. Let me give you another example of how this tax penalizes those workers:

Hy-Vee, Inc., headquartered in Iowa, with operations in my state of Minnesota and 7 other Midwestern states, is one of the largest employee-owned companies in the nation. Over the past half a century, the employees and the management of Hy-Vee have built a very successful business. It is ranked one of the top 15 supermarket chains in this country, and top 5 supermarket chains based on cleanliness, and other services.

Through the company's profit-sharing mechanism, workers in Hy-Vee are rewarded for their hard work. Over 171 workers of the Hy-Vee company have accumulated assets of over $650,000. These employees are not wealthy individuals by any means but average workers who work at the checkout lines or at mid-level management.

However, a large portion of the earnings from their hard work can be taken away by the government if we don't eliminate the death tax.

Ron Pearson, CEO of Hy-Vee, says: ''We believe that in many ways, employee ownership represents the truest expression of the American dream. It is simply unfortunate that the dream also contains a nightmare—the estate tax.''

Mr. President, I believe Mr. Pearson is right. We must repeal the death tax to preserve the American dream for working Americans.

Mr. President, I ask unanimous consent that an article telling Hy-Vee's story be printed in the RECORD.

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

HY-VEE, INC.

(By Ron Pearson)

A strong case could be made that Hy-Vee, Inc., Iowa's largest employer, represents the essence of American capitalism.

Hy-Vee, headquartered in West Des Moines, is one of the nation's largest employee-owned companies, ranking 32nd in Forbes Magazine's list of the top private firms. With the slogan, ''A Helpful Smile in Every Aisle,'' Hy-Vee, Inc. operates more than 200 stores in seven Midwestern states, and generates annual sales in excess of $3.5 billion—making it one of the top 15 supermarket chains in the nation. In addition to 184 Hy-Vee Food Stores, the Company operates 27 Drug Town drug stores. Hy-Vee also has developed or acquired several subsidiary companies to provide goods and services in dairy, perishables, floral, grocery products, banking, construction and advertising.

Hy-Vee was founded in 1930 by Charles Hyde and David Vredenburg, who opened a small general store in Beaconsfield, Iowa. Eight years later, the two men incorporated as Hyde & Vredenburg, Inc., with 15 stores and 16 stockholders. The name Hy-Vee is a contraction of the two founders' names.

From its very beginning, Hy-Vee has been employee-owned. Profits are shared with employees through the Company's Profit-Sharing Trust Fund, and a combination of bonus, commission, and incentive systems. Every Hy-Vee employee, from CEO Ron Pearson to produce clerks and truck drivers, is included in the plan. The result is an incredibly loyal and long-serving employee group renowned throughout the Midwest for unflagging dedication to customer service, efficient operation, and community involvement. Within the grocery industry, Hy-Vee enjoys a sterling reputation as a retailing innovator as well as a Company with a strong commitment to high ethical standards and business integrity. Hy-Vee's food safety training program, for example, has become a national model of workplace procedures designed to insure freshness and quality. Ron Pearson has served as co-chairman of a national task force on diversity in the supermarket industry, reflective of his Company's involvement in expanding management opportunities for female and minority employees. In 1997, Hy-Vee was ranked by Consumer Reports magazine as one of the nation's top 5 supermarket chains on the basis of cleanliness, courtesy, speed of checkout and price/value.

All in all, Hy-Vee represents the pinnacle of success not only within the supermarket industry, but also as an organization in which the individual employees are held to the highest standards—and rewarded for their work. Some 171 active employees of the Company have accumulated balances of $650,000 or more in their retirement holdings and Hy-Vee stock. These are store employees, mid-level managers and the like, people who hardly fit the negative stereotype that most Americans have of the wealthy. Yet it is these individuals—and their families—whose life holdings are at risk because of the federal estate tax.

The estate tax was implemented early in the 20th Century as a way to break up the incredible wealth that had concentrated among a relatively small group of families. The tax has long outlived its usefulness; in fact, the amount of estate taxes collected each year doesn't even cover the cost of collection. But it lives on, penalizing people like the estate tax employees who have earned a secure future for their families over a lifetime of hard work.

''As an employee-owned company, we've had great success in building a reputation for customer service, efficient operations, and community involvement, in large part because we're the owners,'' Pearson says. ''The federal estate tax ends up penalizing employees who've built a retirement nest egg through hard work and dedication.''

The estate tax places the philosophy underlying employee ownership at risk. Hard work, after all, should have its own rewards.

Still, Hy-Vee has no doubt that its formula works best—for all concerned: its employees, certainly, but also its customers and the communities it serves. ''We believe that in many ways, employee ownership represents the truest expression of the American dream,'' Pearson says. ''It is simply unfortunate that the dream also contains a nightmare—the estate tax.''

Mrs. MURRAY. Mr. President, I rise today to speak briefly about the estate tax repeal bill before the Senate.

Along with eight of my Democratic colleagues, I am a cosponsor of S. 1128, the Kyl-Kerrey repeal bill. Barring the attachment of any egregious amendments, I intend to vote for final passage of H.R. 8.

But while I am a cosponsor of S. 1128, I want to take a moment to voice my concern about the debate we have had so far.

I believe there are two policy challenges before us.

First, Congress needs to ensure the vast majority of Americans—including those who do not own family business and farm assets—do not need to worry about paying estate taxes or going through burdensome estate tax planning. Current law does a fairly good job in this area. In fact, only two percent of estates actually pay an estate tax each year.

The estate tax reform provisions we passed as part of the Taxpayer Relief Act of 1997 helped take us further in the right direction. But the prosperity we've had in the last seven years has threatened to push more people in the direction of costly estate tax planning. In the spirit of a fairer tax code, Congress needs to take additional action.

The second policy challenge we face is more complex. That challenge is to ensure the tax code does not prevent the efficient transfer of family businesses and farms to the next generation. Unfortunately, in its current form, the estate tax can be a major hurdle to the efficient transfer of family business and farm assets.

One of the arguments made for the estate tax is it deconcentrates wealth. The problem is family businesses—sometimes as the result of planning for the estate tax or paying the estate tax—have been swept up by large corporations with no ties to the community. We need to recognize changes in the economy have also changed the debate we should be having on the estate tax.

I am a cosponsor of S. 1128 because I believe it is the only reasonable vehicle before us that addresses how we transfer family businesses and farms to the next generation. Unfortunately, estate tax repeal is extremely expensive. And at the end of the day, I am still hopeful we can find another solution to the two policy challenges I have outlined.

While I will vote to pass H.R. 8, I must express some disappointment with the estate tax debate we've had in Congress. It's as if both sides have dug in so deep with the same arguments for so long that we can't have a thoughtful debate on the merits of the issue. The black and white choice is either to repeal the ''death'' tax or to oppose a tax break that will only benefit America's wealthiest citizens.

My friends in the majority could be proposing estate tax reform or repeal in the context of a responsible, long-term fiscal plan. Unfortunately, they have chosen not to do so. It seems the extent of the fiscal planning our majority colleagues have done is to note there were 279 votes in the House for H.R. 8—enough to override an expected veto. I believe the American people deserve more thoughtful deliberation.

Meanwhile, many Democrats and the Administration have been slower to react to real and heartfelt concerns people have about the estate tax. H.R. 8 has been criticized by some of my colleagues as a bill that would simply benefit the wealthiest estates. I can tell you that I have not been contacted by the wealthiest individuals in my state. Rather, for the last seven years, I have heard from family business and farm owners who are desperate to get a tax code that effectively allows them to transfer their operations to the children and grandchildren. They want their Washington state businesses to remain Washington state businesses for many years to come.

Since I first began working on estate tax reform in 1995, my commitment has been to provide estate tax relief to small family businesses and farmers. I believe the public interest on this issue is to continue to work—as I have done the last five years—to push forward with estate tax reform. Therefore, I supported the Democratic alternative and I will support H.R. 8. It is my sincere hope we can work on a bipartisan basis to craft a compromise that President Clinton will sign before the end of the year. And I hope the compromise will include estate tax relief for small businesses and farms in the next ten years, which H.R. 8 does not do.

It is clear H.R. 8 will be vetoed, and likely Congress will sustain the veto. But I'm glad we had the debate. Earlier this week, when we appeared deadlocked on the estate tax bill, I initiated a letter signed by all nine of the Democratic cosponsors of S. 1128. The letter urged the majority leader to allow a reasonable number of Democratic amendments on the estate tax bill.

Following my letter, I was pleased we were able to move forward with a unanimous consent agreement to consider the estate tax bill. After this debate, I hope we can move forward to consider the other pressing business before us, including passage of permanent normal trade relations for China.

CARRYOVER BASIS PROVISIONS

Mr. FEINGOLD. Mr. President, the Senator from California inquired of me about the intent of the amendment with regard to the carryover basis. Let me assure the Senator from California that it is the intent of the sponsors that for estates over $100 million in size the carryover basis provisions would not apply. Those estates would be able to benefit from the stepped-up basis provisions of current law. To the extent that my amendment is unclear on this matter, I would fight for changes in Conference that would make that entirely clear.

Mrs. FEINSTEIN. Mr. President, I thank the Senator from Wisconsin for his clarification. The point he makes is essential to me. If I had not had the understanding with regard to the carryover basis that he has just indicated, I would not have supported the amendment.

• Mr. DASCHLE. Mr. President, we have worked hard over the last 7 years to restore strength to our Nation's economy. We have turned record deficits into record surpluses. Today, we are about to make a decision none of us could have imagined making in 1993. The question facing us is: How should we spend the first significant portion of the surplus?

Our Republican colleagues believe we should use the first major portion of the surplus to eliminate a tax that is paid by only the wealthiest 2 percent of Americans. They say the first, best use of the surplus is to give people with estates worth more than $20 million a $10.5 million tax break.

The cost of their plan is $105 billion for the first 10 years. In the second 10 years, the cost balloons to $750 billion. Three-quarters of a trillion dollars in the second 10 years alone—to eliminate a tax paid only by the wealthiest 2 percent of Americans. The full cost of the Republican estate tax cut would hit at the worst possible time: just as the baby boomers are starting to retire. That is our Republican colleagues' highest priority for the surplus: to help those who are already benefitting most from this economy.

Democrats disagree. We support cutting the estate tax. We voted in 1997 to do just that.

Today we are offering a plan to cut estate taxes even further. But our plan is different—in three very important ways—from the Republican plan.

First, our plan helps family farmers and ranchers, and small-business owners, immediately.

The Republican plan does not remove one family-owned farm or ranch or

small business during the first 10 years. Not one.

Just as an aside, I must say I have been surprised, during this debate, to hear so many of our colleagues on the other side of the aisle expressing concern for family farmers and ranchers. In South Dakota and all across this country, family farmers and ranchers are working practically around the clock to scratch out a living. They are working 12 hours a day, 7 days a week—not even making back their production costs, earning less than their parents and grandparents earned in the Depression.

Too many of them are being forced to sell farms and ranches that have been in their families for generations—not because they cannot pay estate taxes; their farms and ranches are not worth enough to owe any estate taxes. They are being forced out by the disastrous Federal agriculture policies put in place by a Republican Congress. I am relieved to hear our colleagues acknowledge, finally, that family farmers and ranchers need help from this Government. I hope they will continue to believe that when we move on to the agriculture appropriations bill next week.

That is the first difference between our plan to cut estate taxes and the Republican plan: Our plan cuts estate taxes for family farmers and ranchers immediately. Their plan does nothing for family farmers and ranchers for the first 10 years.

The second major difference is, our plan costs less: $65 versus $105 billion over the first 10 years. Our plan does not cost in the second decade, as their plan does.

Our plan is simple and effective. For couples with assets of up to $4 million, we eliminate the estate tax entirely. We also eliminate the estate tax on all family farms, ranches, and businesses worth up to $8 million. Under our plan, only the wealthiest seven-tenths of 1 percent of estates and the wealthiest one-half of one percent of family-owned businesses would pay any estate taxes.

Let me say that again: Only the wealthiest seven-tenths of one percent of couples and the wealthiest one-half of one percent of businesses would pay any estate taxes under our proposal.

The third major difference between our plan and the Republican plan is: Our plan also helps the other 98 percent of Americans who do not pay estate taxes. Because we target our estate tax relief, we are able to provide additional tax breaks to families, to help them with real, pressing needs—like child care, paying for college, and caring for sick and aging relatives. Because we target our estate tax relief, we are able to provide a real Medicare prescription drug benefit.

Under our plan, someone who inherits an estate worth $20 million would receive a tax cut of roughly $1 million. Our Republican colleagues say that is not enough. They want to spend hundreds of billions of dollars more than is in our plan, on far bigger tax cuts for multimillionaires. That is their priority for the surplus: bigger tax cuts for the very wealthiest Americans—at the expense of everyone else.

I urge my colleagues on the other side of the aisle: before you cast this vote, imagine sitting down at the kitchen table with parents who are wondering how they are going to pay for their children's college education. Imagine sitting around a kitchen table with a middle-aged woman who is wondering what will happen when her parents need long-term care—where the money will come from. Imagine talking with a retired couple who have cut back on necessities in order to pay for their prescriptions each month. How would you explain your vote to them? How would you explain to them that eliminating a tax that affects only the wealthiest 2 percent of Americans is more important than helping them care for their children, or their aging parents—or helping them with the cost of their prescriptions?

What could you possibly say to convince them to sign onto a $750 billion tax bill that won't help them one nickel, and will come due just as the baby boomers start to retire? For the life of me, I can't imagine.

A Nation's budget is full of moral implications. It tells what a society cares about and what it doesn't care about. It tells what our values are. There are better ways to spend the first major portion of the surplus than by repealing a tax that affects only the wealthiest 2 percent of Americans. America's families have needs that are far more urgent. Those are the needs that should come first.●

Mr. ROBB. Mr. President, I supported final passage of the Death Tax Elimination Act. I'm a cosponsor of similar legislation, and I've long believed that simply dying shouldn't be a taxable event. Death and taxes may be inevitable, but they don't have to be simultaneous.

Because we've been willing to make some tough decisions over the last seven years, we now have the first budget surplus we've seen in this nation in a generation. We need to continue making those tough decisions. We need to keep the prosperity going by investing in our schools and roads and paying down the debt. We need to strengthen Social Security and modernize Medicare by adding a prescription drug benefit. We need to bolster our nation's defenses, which includes improving the quality of life for those who now serve in our military and honoring our commitment to provide health care for life for those who've already served. And we need to provide targeted tax relief.

To address these many needs, we in Congress ought to establish our priorities first. I continue to believe that before we enact massive untargeted tax cuts, we should make sure that Social Security is strong and that Medicare contains a prescription drug benefit. I voted today to phase out the estate tax because I'm committed to making sure that no one loses their farm or their small business because of the way we tax gifts and estates. We know this legislation we passed today will be vetoed. Once the bill is vetoed, I hope we can come to the table in a bipartisan way to address a few of our more pressing national priorities and construct a fair way to protect family farms and small businesses from having to be broken up or sold just to pay estate taxes.

Mr. HATCH. Mr. President, I rise today in support of H.R. 8, the Death Tax Elimination Act of 2000. The death tax, which is also known as the estate and gift or the transfer tax, is an unfair and counterproductive burden on our economy, and it is past time Congress repealed it.

Many of my colleagues who agree with me that this tax ought to be repealed have made many persuasive arguments as to why. Rather than repeat all of these excellent arguments, I would like to focus on just one vital reason the death tax should be repealed: by hurting millions of closely-held businesses and farms, the death tax harms the economy and every American.

Mr. President, our colleagues from across the aisle have been quick to assert that only two percent of all estates are affected by the estate tax and that fewer than five percent of these estates are made up of farms and small businesses. These statistics are highly misleading and conceal a very important point. Estates that actually pay the estate tax represent only the tip of the iceberg of the total number of estates that are harmed by the tax. Let me explain.

Millions of individuals and the owners of millions of family-owned farms, ranches, and closely-held businesses are potentially subject to the estate tax, but the majority of them are able, with great effort and expense, to avoid the tax by complex tax planning or by selling the business or farm. What are left are the two percent of death tax-paying estates my colleagues keep mentioning.

Every year, billions of dollars are spent in legal and tax planning fees and other costs so that estates may effectively avoid the death tax. A survey conducted by the National Association of Manufacturers last month found that, over the past five years, more than 40 percent of respondents spent more than $100,000 on attorney and consultant fees, life insurance premiums, and other estate planning techniques. More than half had spent over $25,000 in the past year. Despite this planning, nearly one-third of the respondents believed the business would have to be sold to pay the death tax if the owner died tomorrow.

Furthermore, thousands of businesses are prematurely sold each year in order to escape the death tax. Business owners are forced into selling their business when they have tangible

assets of significant value, such as land or business machinery, and yet have few liquid assets to pay an estate tax bill. Clearly, a great many more taxpayers are affected by the estate tax than opponents of repeal would have us believe.

Let me give you an example, Mr. President. Until late last year, Ken Macey was the chairman of his second-generation family-owned grocery business based in Sandy, Utah. Ken's father had founded the business in 1946, opening a tiny store called ''Sava Nickel'' in a renovated house in North Salt Lake. Relying on old-fashioned hard work and thrift and the principle of treating customers and employees as they would want to be treated, the Macey family built their business into an eight-store chain, with $200 million per year in revenues and 1,800 employees.

Mr. Macey tells me he would have liked to keep the business in the family. However, the long shadow of the death tax loomed. Even though Mr. Macey had spent many thousands of dollars in professional fees for estate tax planning, he still believed his estate was vulnerable for tax rates of up to 60 percent. Rather than risk the trauma of a forced sale upon his death that could have been devastating to his children and the 1,800 employees and their families that depended on Macey's for their livelihood, Mr. Macey decided to sell his business to a larger food store chain.

Although this story could have been much worse if some or all of Macey's employees has lost their jobs, it is a tragedy that a business founded by this Utahn's father was forced to be sold outside the family. Macey's Inc. is another example of the millions of American family businesses that do not survive to the next generation.

Some of the same senators and congressmen—and our President—who have decried the loss of family farms and family-owned small businesses and who have wondered aloud why large corporations seem to be taking over Main Street have totally ignored the estate tax as one major reason. Yet, many of these colleagues continue to argue that repealing the death tax benefits only the wealthiest two percent.

According to the National Federation of Independent Businesses, only about 30 percent of family farms and businesses survive to the second generation, and only about 4 percent survive a second-to-third generation transfer. No one can tell Mr. Macey or his children or grandchildren that they are not the victims of an unfair death tax.

The point is that a huge amount of money, effort, and talent is wasted by millions of individuals and owners of family farms and businesses on activities designed to avoid the death tax. Most of these efforts are successful in the sense that the majority of these estates avoid paying the tax. However, the cost to the economy in terms of lost productivity, business disruption, and lost jobs is enormous.

A December 1998 study by the Joint Economic Committee concluded that the death tax has reduced the stock of capital in the economy by almost a half trillion dollars. By putting these resources to better use, as many as 240,000 jobs could be created over a seven year period, resulting in an additional $24.4 billion in disposable personal income.

A study released last year by the Institute for Policy Innovation (IPI) estimated that the repeal of the estate tax would, over 10 years:

Increase annual gross domestic product by $137 billion.

Boost the nation's capital stock by $1.7 trillion.

Create 275,000 more jobs than would otherwise be created.

The IPI study also estimated that over the first decade following repeal of the death tax, added growth from capital formation would generate offsetting federal revenues of 78 percent of the static revenue loss. By 2010, these gains would totally offset the loss in revenues.

Mr. President, my colleagues who oppose the repeal of the estate and gift tax would have the American people believe that this repeal would benefit only a very few rich families in America. What a distortion of the facts! All of us are hurt by a tax that drives millions of people to spend billions of dollars in largely effective, but economically destructive, activities to avoid paying the death tax. When these efforts fail, jobs are often lost and dreams often die. All of us will benefit by repealing the tax, through increased economic activity, more jobs, more disposable income, and a fairer tax system.

Again, I commend Senator ROTH and other supporters of this bill for pointing out the many reasons it should be passed and passed expeditiously.

I would like my friends and colleagues on the other side of this issue to remember that the estate and gift tax—the ''death tax''—is not a tax on income. Income was already taxed. This is a tax on the American dream. This is a tax on a way of life for many American families and the accumulation of their hard work. This is a tax on their hope for the future, which often includes leaving something for their children and grandchildren.

We must repeal it, and the time is now.

The PRESIDING OFFICER (Mr. BROWNBACK). The clerk will read the bill for the third time.

The bill was read the third time.

Mr. LOTT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The bill having been read the third time, the question is, Shall the bill pass? The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Arkansas (Mr. HUTCHINSON) is necessarily absent.

Mr. REID. I announce that the Senator from South Dakota (Mr. DASCHLE) is necessarily absent.

I further announce that, if present and voting, the Senator from South Dakota (Mr. DASCHLE) would vote ''no.''

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 59, nays 39, as follows:

[Rollcall Vote No. 197 Leg.]

YEAS—59

Abraham	Fitzgerald	Murkowski
Allard	Frist	Murray
Ashcroft	Gorton	Nickles
Bennett	Gramm	Robb
Bond	Grams	Roberts
Breaux	Grassley	Roth
Brownback	Gregg	Santorum
Bunning	Hagel	Sessions
Burns	Hatch	Shelby
Campbell	Helms	Smith (NH)
Cleland	Hutchison	Smith (OR)
Cochran	Inhofe	Snowe
Collins	Kyl	Stevens
Coverdell	Landrieu	Thomas
Craig	Lincoln	Thompson
Crapo	Lott	Thurmond
DeWine	Lugar	Torricelli
Domenici	Mack	Warner
Enzi	McCain	Wyden
Feinstein	McConnell	

NAYS—39

Akaka	Edwards	Leahy
Baucus	Feingold	Levin
Bayh	Graham	Lieberman
Biden	Harkin	Mikulski
Bingaman	Hollings	Moynihan
Boxer	Inouye	Reed
Bryan	Jeffords	Reid
Byrd	Johnson	Rockefeller
Chafee, L.	Kennedy	Sarbanes
Conrad	Kerrey	Schumer
Dodd	Kerry	Specter
Dorgan	Kohl	Voinovich
Durbin	Lautenberg	Wellstone

NOT VOTING—2

Daschle	Hutchinson

The bill (H.R. 8) was passed.

Mr. ROTH. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MARRIAGE TAX PENALTY RELIEF RECONCILIATION ACT OF 2000

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 4810, which the clerk will report by title.

The legislative clerk read as follows:

A bill (H.R. 4810) to provide for reconciliation pursuant to section 103(a)(1) of the concurrent resolution on the budget for fiscal year 2001.

The PRESIDING OFFICER. All after the enacting clause is stricken, and the language of the Senate bill is inserted in lieu thereof.

The Senator from Delaware.

Mr. ROTH. Mr. President, we are now on the reconciliation bill authorized by the budget resolution we adopted in the spring.

I would like to clarify for all Senators that nothing in the consent agreement covering the consideration

of this bill precludes Budget Act points of order being raised against any amendment offered. Those points of order could be raised at the time of the votes on Monday night. I ask the Presiding Officer, is that correct?

The PRESIDING OFFICER. That is correct.

Mr. ROTH. Mr. President, we will start with opening statements by myself and the Democratic manager. Subsequent to that, we will open it up to amendments.

Mr. President, a little more than 3 months ago, I stood in this chamber to introduce the Marriage Tax Relief Act of 2000. At that time, I described that bill ''as the centerpiece of our efforts to reduce the tax overpayment by America's families.'' That is as it should be because families are the centerpiece of American society.

Three months ago, I urged my colleagues to support the Marriage Tax Relief Act because it ''delivered savings to virtually every married couple in America—and it did so within the context of fiscal discipline and preserving the Social Security surplus.'' And that too, is as it should be, because if we act irresponsibly we are not giving relief to America's families, but grief to America's children.

In the three months since I last spoke on this topic, we have discovered that American families' tax overpayment is even larger and our relief even more appropriate than we had imagined then.

Despite the enormous benefits that the Marriage Tax Relief Act of 2000 would have brought to American families, we could never get the other side to agree to a procedure that would limit debate to relevant amendments. The Majority Leader's offer to limit debate to marriage tax issues was rejected and cloture votes failed. The Senate moved on to other business.

But even as the Senate took up other important issues, we remained committed to delivering tax relief to America's families. We knew that the American people would not be satisfied with us shrugging our shoulders and saying that we tried. We knew that the American people would not be satisfied with us telling them that they'll have to wait for comprehensive marriage tax relief because the other side blocked our first attempt.

And so we are back today. We have returned with ''The Marriage Tax Relief Reconciliation Act of 2000.'' Substantively, this bill is the same as the one that we sought to pass a few months ago. But there is one crucial difference between now and then. Today, we are proceeding under the Budget Act's reconciliation procedure. And that means that no one is going to delay us from passing this bill. We will have an up or down vote. We will see who supports the marriage tax relief in our bill. And we will see who thinks that American families are not entitled to this relief.

Before I describe the specifics of our bill, I want to talk about how we got here. Our tax system has chosen to use the family as the unit for taxation. Unlike some other countries—where all individuals are taxed separately—here in the United States, we look to the household. In doing so, our tax system has tried to balance three disparate goals—progressivity, equal treatment of married couples, and marriage neutrality. And, I will remind my colleagues, it is impossible to achieve all three principles at the same time.

The principle of progressivity holds that taxpayers with higher incomes should pay a higher percentage of their income in taxes. The principle of equal treatment holds that two married couples with the same amount of income should pay the same level of tax. And the principle of marriage neutrality holds that a couple's income tax bill should not depend on their marital status. The tax code should neither provide an incentive nor a disincentive for two people to get married.

Our policy response differs depending on how we balance these different principles. For instance, if we want to ensure that when two singles get married their total tax bill will not rise—but we do not mind if two married couples with the same overall income level are treated differently, then we arrive at one result. However, if we want to make sure that two singles who marry do not face increased taxes—and we want to make sure that two married couples with the same income level are treated evenly—then we arrive at a different result.

Last year, the Senate position in the Taxpayer Relief Act of 1999 only embraced the first policy result. We focused on what people refer to as the marriage tax penalty—in other words, the difference between what two spouses would pay in taxes if they were single versus what they would pay in taxes if they were married. In developing the specific provision, we took aim only at one particular definition of a marriage tax relief penalty. We developed a system whereby a married couple would have an option. The couple could continue to file a joint return using the existing schedule of married filing jointly. Or the couple could choose to file a joint return using the separate schedules for single taxpayers. It was straightforward, and it was universal—we did not try to impose arbitrary income limits to cut off the relief.

As I said last year, the separate filing option had a lot of good things about it. Most importantly, I liked the way that the plan basically eliminated the marriage penalty for all taxpayers who suffered from it.

It delivered relief to those in the lowest brackets as well as to those in the highest brackets.

However we should also remember that last year's approach was part of a larger package of tax relief. We should all remember this point: America's families were going to receive relief from other provisions in that bill. Last year's marriage penalty provision was part of a comprehensive tax bill directed towards American families. Other pieces of the bill—the cuts in the 15 percent rate bracket, the expansion of the child care credit—provided additional benefits to American families. So, the separate filing option should not be viewed in a vacuum; instead, it must be seen as part of a comprehensive tax relief package. In any event, as we all know, none of the pieces of last year's tax cut package—neither the marriage penalty relief nor anything else—made it into law. Because President Clinton vetoed that bill, America's families have been denied the tax relief that they deserve.

This year I felt that we should take a different approach to marriage tax relief. As the Chairman of the Finance Committee, I am responsible for developing tax policy in a fair and rational manner. I am also responsible for working with members of my committee and of the full Senate.

After listening to my colleagues' views on marriage tax relief, I came to the conclusion that the best approach this time is to build on the foundation that Congress has already approved. Last year, in the conference report of the Taxpayer Relief Act of 1999, Congress adopted three components of marriage penalty relief. These included an expansion of the standard deduction for married couples filing jointly; a widening of the tax brackets; and an increase in the income phase-outs for the earned income credit. A different part of that bill addressed the minimum tax issue. Earlier this year, the House passed a marriage penalty tax bill that included the first three components.

And so the Finance Committee bill, the Marriage Tax Relief Reconciliation Act of 2000, uses these same building blocks. This is important—not just for purposes of building and maintaining consensus—but for policy reasons as well.

You see, if we target relief only at the families that suffer a marriage penalty, we begin to violate another of the three principles that I described earlier. Since 1948, our tax system has adhered to the principle of treating all married couples with the same amount of income equally. In other words, each household that earns $80,000—regardless of the breakdown of that income—would pay the same amount of tax. It does not matter whether one spouse earns all $80,000 while the other spouse works at home taking care of the children; and it does not matter whether both spouses work outside the home and earn $40,000 each. Each household with the same amount of income is treated the same for tax purposes.

As we studied how best to solve the marriage penalty—to ensure that the tax code does not provide a disincentive to get married—we realized that it was extremely important to stick to this principle of equal treatment. In solving one penalty, we don't want to

be creating a new penalty—a new disincentive for America's families. We did not think that the tax code should deliver a new, so-called ''homemaker penalty''—where a family with only one wage earner is treated worse than a family where both spouses work. This is what would happen if we used a separate filing option. Many people have argued that tax policy should not discourage one parent from staying at home and raising the family. It is a laudable goal and one that I strongly support.

Retention of the equal treatment principle is especially important in a tax bill such as the one we have before us. Unlike last year's tax bill, this one does not include rate cuts or enhanced family tax credits. All America's taxpaying families have contributed to the tax overpayment in Washington today. All these families, therefore, deserve to receive some of the benefits that we are seeking to return to the American people. We should not pick out some married couples over others.

We should not be picking winners and losers from America's families in some Washington game of musical chairs. And that is what we would do if we left out those families where one spouse works maintaining a home and a family. Under the proposal offered by Democrats in the Finance Committee, over 17 million homemaker families would be left out of tax relief. In my state of Delaware, over 30,000 homemaker families would be left standing at the altar by the Democrats proposal.

Now let me take a few minutes and describe the provisions of our bill. First, we enlarge the standard deduction for married couples. Under current law, for the year 2000, the standard deduction for a single taxpayer is $4,400. The standard deduction for a married couple filing a joint return is $7,350. That means that for couples who use a standard deduction—and those are generally low and middle income couples—they are losing $1,450 in extra deductions each year. At a 28-percent tax rate, that lost deduction translates into an extra tax liability of $406 each and every year.

The Finance Committee bill increases the standard deduction for married couples so that it is twice the size of the standard deduction for singles, and we do that immediately, in 2001. When fully effective, this provision provides tax relief to approximately 25 million couples filing joint returns, including more than 6 million returns filed by senior citizens.

Increasing the standard deduction also has the added benefit of simplifying the Tax Code. Approximately 3 million couples who currently itemize their deductions will realize the simplification benefits of using the standard deduction.

Second, the Marriage Tax Relief Reconciliation Act of 2000 addresses the cause of the greatest dollar amount of the marriage tax penalty—the structure of the rate brackets. Under current law, the 15-percent rate bracket for single filers ends at taxable income of $26,250. The 15-percent rate bracket for married couples filing jointly ends with taxable income of $43,850, which one can see is less than twice the single rate bracket. In practical terms, that means that when two individuals who each earn taxable income of $30,000 get married and file a joint tax return, $8,650 of their income is taxed at the 28-percent rate rather than at the 15-percent rate that the income would have been subject to if they had remained single. The extra tax liability for that couple each year comes out to $1,125.

The Finance Committee bill remedies that fundamental unfairness. The bill adjusts the end point of the 15-percent rate bracket for married couples so that it is twice the sum of the end point of the bracket for single filers. Recognizing that the rate structure hurts all married couples, the bill also adjusts the end points of the 28-percent rate bracket as well.

When fully effective, this provision will provide tax relief to approximately 21 million couples filing joint returns, including more than 4 million returns filed by senior citizens.

Third, the Marriage Tax Relief Reconciliation Act of 2000 addresses the biggest source of the marriage tax penalty for low income, working families—the earned income credit. This complicated credit is determined by using a schedule for the number of qualifying children, and then multiplying the credit rate by the taxpayer's earned income up to a certain amount. The credit is phased out above certain income levels. What that means is that two people who are each receiving the earned income credit as singles may lose all or some of their credit when they get married.

In order to address that problem, the Finance Committee bill increases the beginning and ending points of the income levels of the phaseout of the credit for married couples filing a joint return. For a couple with two or more qualifying children, this could mean as much as $526 in extra credit. This provision would also expand the number of married couples who would be eligible for the credit. It will help almost 4 million families.

Fourth, the Marriage Tax Relief Reconciliation Act of 2000 tries to make sure that families can continue to receive the family tax credits that Congress has enacted over the past several years. Each year, an increasing number of American families are finding that their family tax credits—such as the child credit and the Hope Scholarship education credit—are being cut back or eliminated because of the alternative minimum tax. Last year, Congress made a small downpayment on this problem, temporarily carving out these family tax credits from the minimum tax calculations. This year, we are building on that bipartisan approach, by permanently extending the preservation of the family tax credits.

Because of this provision, millions of taxpayers will no longer face the burden of making minimum tax calculations for the purpose of determining the family tax credits they need.

Finally, the committee included a provision to ensure that we complied with the Budget Act. Because we were not allowed to decrease revenues outside of the period covered by the budget resolution—which is 5 years—the bill sunsets all of the provisions in the bill after 2004. It goes without saying that I do not think it is good policy to sunset these tax benefits. They should be permanent and I expect that they will be permanent when this bill is signed into law. Accordingly, I will propose an amendment to strike the sunset. I expect all of my colleagues to join with me in supporting that amendment.

How much does this marriage tax penalty relief help? It helps a lot. Over 45 million families will get marriage tax relief under this legislation. In my State of Delaware, over 100,000 families will benefit. Every family earning over $10,000 per year will see their tax bill fall at least 1 percent—except those at high income levels. The key to this legislation is that it helps the middle class. Sixty percent of this bill's tax relief goes to those families making $100,000 or less.

Who are these people? They are two married civil engineers, or a pharmacist who is married to a school teacher. They are the policeman and his wife who runs a small gift shop in Dover. They are the firefighter who is married to a social worker, or a librarian who is married to an accountant. These are the families who will benefit.

They will benefit even more, as you examine the impact this tax relief will have over time. Consider the effect if these tax savings were put away for their children's education and retirement. If a couple with two children making just $30,000 took their tax savings from this bill and put it into an education savings account like the one recently passed by the Senate, they would have $40,000 for those children's college education.

Based on the stock market's historical rate of return, that is $40,000 if they did not set aside another penny. If the family was that of two elementary school teachers with two children and earning average salaries of $70,000 combined, they would have $65,000 after 18 years.

If those two married school teachers then started to put their tax savings from this bill into a Roth IRA after 18 years, this same couple would have $224,100 when they retired 27 years later.

By transforming these tax savings into personal savings, we see that these real tax savings translate into real opportunities for these families.

And consider the effect on the economy. According to an analysis by the Heritage Foundation, in 2004 this marriage tax penalty relief legislation will

result in additional jobs. It will increase the personal savings rate by three-tenths of 1 percent, which in turn will lower interest rates. According to estimates done by the economists at the Heritage Foundation, the favorable economic impact of the tax relief would increase overall disposable income by $45 billion in 2004. That means that the average family of four would see an additional $670 in income—just from the positive economic impact. So not only do married families gain, not only do their children gain, but the entire country gains. They gain more jobs, better jobs, and higher wages because of this marriage tax relief legislation.

The marriage tax relief legislation I bring to the floor today amounts to just 3 percent of the total budget surplus over the next 5 years. It amounts to just 10 percent of the non-Social Security surplus over the next 5 years. It amounts to just 42 percent of the new spending provided for in this year's budget over the next 5 years. Finally, it amounts to just one third of the tax cut that has been allotted to the Finance Committee for tax cuts over the next 5 years in this year's budget. By any comparison or estimation, this marriage tax penalty relief is fiscally responsible.

This bill does all these things for America's working families while preserving every cent of Social Security's surplus. These tax cuts do not have to pit America's families against America's seniors, nor does it extend a tax cut in a fiscally irresponsible manner. These tax cuts fit in this year's budget, along with the other Republican priorities that we have already passed for education, health care, and small businesses. Our priorities add up to what's good for America, and our numbers add up to what is fiscally responsible.

It is time we stopped playing the politics of division. We do not have to pit one type of family against another type of family or families against seniors to do what is right. It is time we divorce the marriage penalty from the Tax Code once and for all. For too long Washington has been an unclaimed dependent in millions of America's families. I urge all my colleagues to support the Marriage Tax Relief Reconciliation Act of 2000.

Mr. President, the earned income credit, or EIC, is an important anti-poverty tool. It gives an incentive for families to help themselves. It provides low-income workers with a tax credit, thereby increasing their real wages. It gives poor and middle-class families an extra incentive to help themselves. While the program is by no means perfect, it has been one of the more effective Government programs in pushing families above the poverty line.

The structure of the EIC is the largest source of the marriage penalty for low-income families. Our bill addresses this inequity by increasing the beginning and ending income phaseout levels of the credit for married couples by $2,500. Our proposal goes to families, just as the original EIC program was intended to do.

Mr. President, I move to raise a point of order against section 4, from page 5, line 12, through page 7, line 3, of the bill, that it violates section 313 of the Budget Act.

Mr. President, I furthermore move to waive all points of order under the budget process arising from the earned-income credit component in the Senate bill, the Moynihan substitute, the House companion bill, and any conference report thereon.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, the Democratic manager, Senator MOYNIHAN, has agreed to give his opening statement at a subsequent time. If it is agreeable to the Senator from Delaware, we have some people who are anxious to catch planes and do other things. They have very brief speaking assignments, and they would like to offer some amendments at this time.

Mr. ROTH. I think the Senator from Texas has been seeking the floor.

Mrs. HUTCHISON. Mr. President, I ask the distinguished minority whip, are you proposing to go to amendments right away? The only issue is, I want to make a statement on the bill of which I am a major cosponsor.

Mr. REID. We recognize the work you have done on this. Senator MOYNIHAN has agreed to give his statement at a later time. I am told Senator HARKIN wants to speak for 3 or 4 minutes, Senator FEINGOLD for 3 minutes, and Senator KENNEDY for 5 minutes. They would like to leave after that.

It is my understanding the Senator has a relatively long statement. If they could offer their amendments, then we would be happy to have you speak.

Mrs. HUTCHISON. I thank the Senator.

Mr. ROTH. That is satisfactory.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that the motion to waive the Budget Act be temporarily set aside.

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

MOTION TO COMMIT

Mr. FEINGOLD. Mr. President, I send a motion to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD] moves to commit the bill to the Committee on Finance with instructions that the Committee report it back along with legislation that would substantially extend the solvency of Social Security and Medicare.

Mr. FEINGOLD. Mr. President, this debate, like the debate on the estate tax that it follows, allows the Senate to talk about priorities. Yes, some sensible reforms are in order to eliminate the marriage penalty for middle-income Americans. But before we enact a major tax bill like this, we should consider whether the first and highest priority for using our surplus should not be extending the life of Social Security and Medicare.

Yesterday, the Senate considered the Harkin-Feingold amendment that would have extended the life of Social Security. Some did not like the way that Senator HARKIN and I proposed to extend the life of Social Security. But few will deny that we should do something to keep Social Security and Medicare solvent.

As I noted yesterday, starting in 2015, the cost of Social Security benefits is projected to exceed payroll tax revenues. Under current projections, this annual cash deficit will grow so that by 2036, Social Security will pay out a trillion dollars more in benefits than it takes in in payroll taxes. By 2037, the Trust Fund will have consumed all of its assets.

Similarly, this year, the Medicare Hospital Insurance Trust Fund is taking in $21 billion more in income than it pays out in Medicare benefits, and its Trustees project that it will continue to do so for 17 years. But by 2025, they project that the Medicare Trust Fund will have consumed all of its assets.

We as a Nation have made a promise to workers that Social Security and Medicare will be there for them when they retire. We should start planning for that future.

The Social Security Trustees' actuarial report shows a Social Security trust fund shortfall of 1.89 percent of payroll. That is, to maintain solvency of the Social Security Trust Fund for 75 years, we need to take actions equivalent to raising payroll tax receipts by 1.89 percent of payroll or making equivalent cuts in benefits.

Thus, we can fix the Social Security program so that it will remain solvent for 75 years if we make changes now in either taxes or benefits equivalent to less than 2 percent of our payroll taxes. But if we wait until 2037, we would need the equivalent of an increase in the payroll tax rate of 5.4 percentage points, to set the program right. The choice is clear: Small changes now or big changes later. That is why Social Security reform is important, and why it is important now.

And that's why President Clinton was right when in his 1998 State of the Union Address, he said, ''What should we do with this projected surplus? I have a simple four-word answer: Save Social Security first.''

Beginning in 1999, the government began to run surpluses in the non-Social Security budget. If we continue current law and don't dissipate these surpluses, they will continue into the

2020s or beyond, according to Congressional Budget Office projections. But starting in 2015, Social Security will start redeeming the bonds that it holds, and the non-Social Security budget will have to start paying for those bonds from non-Social Security surpluses. The bottom line is that starting in 2015, the government will have to show restraint in the non-Social Security budget so that we can pay the Social Security benefits that people have earned.

That is why it doesn't make sense to enact either tax cuts or spending measures that would spend the non-Social Security surplus before we've addressed Social Security and Medicare for the long run. Before we enter into new obligations, we need to make sure that we have the resources to meet the commitments we already have.

Indeed, not spending the surplus has a positive benefit for addressing Social Security and Medicare. The government is spending $224 billion this year just to pay the interest on the Federal debt. That is 11.5 cents out of every tax dollar the government collects. If we don't use the surplus for tax cuts or spending, but instead pay down the debt, we reduce that annual interest cost. The President's latest budget proposal calls for paying down the entire publicly-held debt by 2012. Doing so would give us $224 billion a year more in resources than we have now with which to address our Social Security and Medicare obligations.

The government is like a family with a mortgage on the house and young kids who will go to college in a few years. One way to prepare to be able to afford those college costs is to pay down the mortgage now.

There are a variety of options for extending Social Security's solvency. A broad choice of options exist for how we might get where we need to go. Yesterday, we rejected one option. My motion simply says we should choose some option to extend the life of Social Security and Medicare.

The marriage tax bill before us today would head in the opposite direction. The Joint Committee on Taxation estimates that the committee-reported bill would cost $56 billion over the first 5 years. And it would cost about $250 billion, if the sunset provision in this bill is not maintained.

This bill is just one in a long series of tax bills. It's no secret. The majority leader has essentially said as much. The majority intends to pass—in one bill after another—a massive tax cut plan reminiscent of the early 1980s.

Both the Senate and House have already passed a number of costly tax cut bills this year. According to one estimate by the Republican staff of the Senate Budget Committee made in mid-June, the Senate or the House have already passed tax cuts costing about $440 billion over the next 10 years. Slicing last year's vetoed tax bill into a series of salami slices does not change their irresponsibility.

As well, it doesn't make sense to proceed on one expensive part of a legislative agenda before knowing what the others are. Democrats support targeted marriage penalty relief.

It would be irresponsible to enact a tax cut of this size before doing anything about Social Security and Medicare. Before the Senate passes major tax cuts like the one pending today, the Finance Committee should consider the options for extending Social Security and Medicare. The Senate should do first things first. And that's all that this motion to recommit requires. I urge my colleagues to support it.

Mr. President, I ask unanimous consent that my motion be temporarily set aside.

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

AMENDMENT NO. 3845

Mr. FEINGOLD. 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 Wisconsin [Mr. FEINGOLD] proposes an amendment numbered 3845.

Mr. FEINGOLD. I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To strike the adjustment to the rate brackets and to further adjust the standard deduction)

Beginning on page 2, line 5, strike all through page 5, line 11, and insert:

SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) of the Internal Revenue Code of 1986 (relating to standard deduction) is amended—

(1) by striking ''$5,000'' in subparagraph (A) and inserting ''200 percent of the dollar amount in effect under subparagraph (C) for the taxable year'';

(2) by striking ''$4,400'' in subparagraph (B) and inserting ''$7,500'';

(3) by adding ''or'' at the end of subparagraph (B);

(4) by striking ''$3,000 in the case of'' and all that follows in subparagraph (C) and inserting ''$4,750 in any other case.''; and

(5) by striking subparagraph (D).

(b) TECHNICAL AMENDMENTS.—

(1) Section 63(c)(4) of such Code is amended by adding at the end the following flush sentence:

''The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).''.

(2) Section 63(c)(4)(B) of such Code is amended—

(A) by redesignating clause (ii) as clause (iii); and

(B) by striking clause (i) and inserting:

''(i) 'calendar year 2000' in the case of the dollar amounts contained in paragraph (2),

''(ii) 'calendar year 1987' in the case of the dollar amounts contained in paragraph (5)(A) or subsection (f), and''.

(3) Subparagraph (B) of section 1(f)(6) of such Code is amended by striking ''(other than with'' and all that follows through ''shall be applied'' and inserting ''(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

Mr. FEINGOLD. Mr. President, the bill before us is a major tax bill. Because the bill sunsets in 2004 to comply with the Senate's Byrd Rule, the Joint Committee on Taxation's official estimate is that the bill would cost $55.5 billion. And in the likely circumstance that Congress fails to sunset the bill, it would cost nearly $250 billion over 10 years and $40 billion a year, or $400 billion a decade, when fully phased in.

In a matter of this importance, it is appropriate to consider where the money goes. It is appropriate to consider whether we could make other, similar changes to the tax law that would benefit more Americans.

This Senator believes that it is a priority to simplify taxes and free people from paying income taxes altogether. My amendment would accomplish both of these goals by expanding the standard deduction.

The amendment would increase the standard deduction for individuals by $250, from $4,500 to $4,750. It would increase the standard deduction for heads of households, as well, from $6,650 to $7,500. And it would maintain the underlying bill's policy of increasing the standard deduction for married couples to twice that of an individual.

Seven in 10 taxpayers take the standard deduction instead of itemizing. My amendment would benefit all of those 7 out of 10 taxpayers. It would reduce their taxable incomes by hundreds of dollars and thus make it so that many middle-income working Americans would not owe any income taxes at all.

Expanding the standard deduction would also make it worthwhile for even more Americans to use that easier method of calculating their tax and avoid the difficult and cumbersome itemization forms. It would thus take one of the most concrete steps that we can take to simplify the unnecessarily complex income tax.

My amendment is paid for, so that the total cost of the bill would be exactly the same over 5 years.

Mr. President, I ask unanimous consent that a letter from the Chief of Staff of the Joint Committee on Taxation certifying that fact be printed in the RECORD at the close of my remarks.

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

(see exhibit 1.)

The offset for my amendment is to strike the provision of the Republican marriage penalty bill that benefits only taxpayers in the top quarter of the income distribution. The tradeoff is clear: strike benefits for the best-off quarter to fund tax-simplifying benefits for 7 out of 10 taxpayers—overwhelmingly middle and lower-income taxpayers.

Let me take a moment to explain how the Republican marriage penalty bill works and how it comes to have a provision that benefits only the best off.

The bill has three marriage penalty provisions. One would fix the marriage penalty for lower- and middle-income working families getting the EITC. The second would make the standard deduction for married couples equal to two times the standard deduction for single taxpayers. Both of these provisions benefit working families who have the hardest time finding the money to pay taxes.

But a third provision in the Republican marriage penalty bill would reduce the rates at which income is taxed for some married couples. This provision would, for married couples, increase the income level at which the 15 percent tax bracket ends and the 28 percent bracket begins, and also increase the income level at which the 28 percent bracket ends and the 31 percent bracket begins.

Once fully in effect, the provision to expand the 15 percent and 28 percent tax brackets would cost more than $20 billion a year. It would thus account for most of the package's overall cost when fully phased in.

Here's how this costly provision would work. Right now, there are five tax brackets. Married couples who make taxable incomes up to $43,850 pay tax at a rate of 15 percent of their taxable income. Couples who make between $43,850 and $105,950 pay 15 percent on their first $43,850 plus 28 percent on the amount over $43,850. A 31 percent bracket applies to income between $105,950 and $161,450. A 36 percent bracket applies to income between $161,450 and $288,350. And a 39.6 percent bracket applies to income above $288,350.

To address the marriage penalty, the Republican bill raises the cut-off points for the 15 percent and 28 percent brackets. But the Republican bill would not raise the brackets for the 31, 36, and 39.6 percent brackets, leaving some marriage penalty to exist for those very well-off groups. The Republican bill thus already acknowledges the principle in my amendment that there is some point at which tax cuts for the best-off among us are not appropriate.

The way the Republican bill would work, the bracket expanding provision would have absolutely no benefit for taxpayers with taxable incomes of up to $43,850. And it would benefit every married couple filing jointly with incomes above $43,850. The portion of this provision that would expand the 28 percent tax bracket would have absolutely no benefit for taxpayers with taxable incomes of up to $105,950. And it would benefit every married couple filing jointly with incomes above $105,950.

As only the top quarter of taxpayers have incomes high enough to put them in brackets higher than the 15 percent bracket, only those in the top quarter of the income distribution would benefit from the provision. By striking this provision, my amendment would thus make the marriage penalty relief more targeted to those who need it most.

The Joint Committee on Taxation has estimated that for 2005, more than 70 percent of the fully-implemented Republican bill's benefits would go to tax filers with incomes above $75,000, and only 15 percent of the benefits would go to tax filers with incomes below $50,000.

Citizens for Tax Justice estimates that among married couples, those with incomes above $75,000 would receive 68 percent of the benefits of the Republican bill when it is fully phased in. They estimate that more than 40 percent of the benefits would go to couples with incomes above $100,000. Only 15 percent of its benefits would go to the 45 percent of married couples with incomes below $50,000.

Mr. President, I ask that an analysis of the Republican bill by the Center of Budget and Policy Priorities be printed at the conclusion of my remarks.

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

(See exhibit 2.)

My amendment would better target the marriage-penalty relief in the Republican bill. It would use the savings from doing so to simplify taxes and to free middle- and lower-income Americans from paying income taxes altogether. This amendment presents a clear choice, and I urge my colleagues to support it.

EXHIBIT 1

JOINT COMMITTEE ON TAXATION,
Washington, DC, July 12, 2000.

Hon. RUSSELL D. FEINGOLD,
U.S. Senate, SH-716
Washington, DC.

DEAR SENATOR FEINGOLD: This letter is in response to your request of July 5, 2000, for a revenue estimate of a possible amendment to the ''Marriage Tax relief Reconciliation Act of 2000.''

The amendment would replace the increase in the married filing a joing return 15-percent and 28-percent rate brackets, estimated to cost 17.523 bllion, with an increase in the standard deduction for singles and heads of household. The provisions affecting the earned income credit, married filing a joint return standard deduction, and the AMT treatment of credits would remain unchanged. All provisions would sunset after December 31, 2004.

You asked that we determine the maximum possible increase in the single and head of household standard deductions within the constraint of the revenue effect of the bill as reported. Under this constraint, the standard deduction would increase for singles from 4,500 to 4,750 and for heads of household from 6,650 to 7,500 for taxable years beginning after December 31, 2000, and indexed thereafter.

The bill as amended would have the following effect on Federal fiscal year budget receipts:

Fiscal years:

	Billions
2001	−$7.4
2002	−12.6
2003	−13.8
2004	−14.8
2005	−7.1
2006	(13's)
2007	(13's)
2008	(13's)
2009	(13's)
2010	(13's)
2001–10	−55.6

Note: Details do not add to totals due to rounding.

I hope this information is helpful to you. If we can be of further assistance in this matter, please let me know.

Sincerely,

LINDY L. PAULL.

EXHIBIT 2

CENTER ON BUDGET AND POLICY PRIORITIES, 820 FIRST STREET, NE, SUITE 510,
Washington, DC, July 12, 2000.

LARGE COST OF THE ROTH ''MARRIAGE PENALTY RELIEF'' PROVISIONS REFLECTS POOR TARGETING—MUCH OF THE BENEFITS WOULD GO TO HIGH-INCOME TAXPAYERS OR THOSE WHO ALREADY RECEIVE MARRIAGE BONUSES

(By Iris Lav and James Sly)

SUMMARY

On June 28, the Senate Finance Committee passed a marriage-tax-penalty relief proposal offered by its chairman, senator William Roth, that would cost $248 billion over 10 years. The official cost assigned to the bill is considerably less—$55.6 billion—because the legislation will be considered in a form that provides the tax relief only through 2004, to satisfy Senate rules. history shows, however, that legislation of this type rarely is allowed to expire. As a result, the full, permanent cost of the bill should be considered the relevant benchmark.

Although two of the proposal's marriage penalty provisions are focused on middle- or low-income families, the proposal as a whole is poorly targeted and largely benefits couples with higher incomes. The proposal's costliest provision, which accounts for more than half of the package's overall cost when all provisions are in full effect, benefits only taxpayers in the top quarter of the income distribution. In addition, the proposal would provide nearly two-fifths of its benefits to families that already receive marrige bonuses.

Citizens for Tax Justice finds that only 15 percent of the benefits of the Roth proposal would go to low- and middle-income married couples with incomes below $50,000. This group accounts for 45 percent of all married couples. By contrast, the fewer than one-third of married couples that have incomes exceeding $75,000 would receive more than two-thirds of the bill's tax-cut benefits.

The Roth plan contains three principal provisions related to marriage penalties. The most costly of these would reduce the rates at which income is taxed for some married couples. This provision would increase for married couples the income level at which the 15 percent tax bracket ends and the 28 percent bracket begins, and also increase the income level at which the 28 percent bracket ends and the 31 percent bracket begins. The second provision would raise the standard deduction for married couples, setting it at twice the standard deduction for single taxpayers. A third, much smaller provision would increase the earned income tax credit for certain low- and moderate-income married couples with children.

A fourth provision relates to the alternative minimum tax (AMT) and affects both married and single taxpayers' it is not specifically designed to relieve marriage penalties. This provision would permanently extend taxpayers' ability to use personal tax credits, such as the child tax credit and education credits, to offset tax liability under the alternative minimum tax.

The Joint Committee on Taxation estimates that the Roth proposal, without the sunset, would cost $248 billion over 10 years. And the proposals long-term cost is substantially higher than this. The bill's costly provision that would extend the 15 percent and 28 percent tax brackets would not take full

effect until 2008; this slow phase-in markedly reduces the bill's cost in the first 10 years. The Joint Tax Committee estimate shows that when all of the plan's provisions are fully in effect in 2008 through 2010, the bill would cost $40 billion a year.

Once in full effect, the proposal to expand the 15 percent and 28 percent tax bracket itself would cost more than $20 billion a year. This provision would exclusively benefit taxpayers in brackets higher than the current 15 percent bracket; no other taxpayers would be touched by it. Since only the top quarter of taxpayers are in brackets higher than the 15 percent bracket, only those in the top quarter of the income distribution would benefit from the provision.

The bill's tax reductions are not focused on married families that face marriage penalties. Nearly as many families receive marriage bonuses today as receive marriage penalties, and the bill would reduce their taxes as well. The proposal would confer tens of billions of dollars of ''marriage penalty tax relief'' on millions of married families that already receive marriage bonuses. In fact, only about 40 percent of the $248 billion in tax cut benefits the bill would provide over the next ten years would go for reductions in marriage penalties. A similar proporition of the tax cuts, about 38 percent would reduce the taxes of families already receiving marriage bonuses. The remainder of the benefits, including portions of the AMT change that would go to taxpayers other than married couples, would neither reduce penalties nor increase bonuses.

SENATE DEMOCRATIC AND ADMINISTRATION PROPOSALS

A marriage penalty relief plan that is more targeted on middle-income families and modestly less expensive than the Roth proposal is expected to be offered by Democrats on the Senate floor. This Democratic alternative is identical to an amendment offered by the Finance Committee Democrats during the June 28th mark up of the Roth proposal. This plan would allow married taxpayers with incomes below $150,000 to choose whether to file jointly as a couple or to file a combined return with each spouse taxed as a single filer. The long-term cost of the Democratic alternative appears to be about four-fifths of the long-term cost of the Roth plan. (This provision ignores the cost of the AMT provision of the Roth plan.)

The marriage penalty relief proposals contained in the Administration fiscal year 2001 budget are significantly less costly than either the Roth proposal or the Senate Democratic alternative. These proposals, which are targeted on low- and middle-income married filers who face marriage tax penalties, would provide substantial marriage penalty relief at about one-fourth the cost of the Roth plan. (This comparison, as well, excludes the cost of the AMT provisions of the Roth plan.) The marriage penalty proposals in the Administration budget would cost a little more than $50 billion over 10 years.

BUDGETARY REALITIES

The budget surplus projections that the Administration issued on June 26 show a projected non-Social Security surplus under current law of nearly $1.9 trillion over 10 years. While this may make it seem as though the proposed marriage penalty relief could be afforded easily, caution needs to be exercised. The surpluses actually available for tax cuts and programs expansions are considerably smaller than is commonly understood. Furthermore, there is a wide range of priorities competing for the surplus dollars that are available.

The projected surpluses include about $400 billion in Medicare Hospital Insurance (HI) trust fund surpluses that the President, the House of Representatives, and the Senate have agreed should not be used to fund tax cuts or program increase. Excluding these Medicare HI surplues, the surpluses available to fund tax cuts or program increases amount to less than $1.5 trillion.

That baseline projection, however, does not reflect the full costs of maintaining current policies. For instance, the Administration's baseline projections of the cost of discretionary, or annually appropriated, programs assume that funding for these programs will be maintained at current levels, adjusted only for inflation. The projections do not include an adjustment for growth in the U.S. population, so the projections assume that funding in discretionary programs will fall in purchasing power on a per person basis. Maintaining current service levels for discretionary programs would entail that such spending be maintaining in purchasing power on a per capita basis.

Certain legislation that is needed simply to maintain current tax and entitlement policies and that is virtually certain to be enacted also is not reflected in the surplus projections, including legislation to extend an array of expiring tax credits that Congress always extends, legislation to prevent the Alternative Minimum Tax from hitting millions of middle-class taxpayers and raising their taxes, as will occur if the tax laws are not modified, and legislation to provide farm price support payments to farmers beyond those the Freedom to Farm Act provides, as Congress has done each of the past two years. Assuming that legislation in these areas will be enacted (as it is virtually certain to be) and that the purchasing power of discretionary programs will be maintained at current levels on a per person basis reduces the available non-Social Security, non-Medicare HI surpluses by approximately $600 billion, to less than $900 billion over 10 years.

At least half of this $900 billion is likely to be needed to facilitate reform of Social Security and Medicare that will ensure the long-term solvency of those programs. Since neither party is willing to close the long-term financing gaps in these programs entirely or largely through slicing benefits costs or increasing payroll taxes, a large infusion of revenue from the non-Social Security part of the budget will be necessary. Indeed, nearly all of the major Social Security proposals offered by lawmakers of either party entail the transfer of substantial sums from the non-Social Security budget to the retirement system. Taking this reality into account leaves about $400 billion over 10 years to pay for tax cuts or other program initiatives.

Competing for those funds are other tax cuts, various domestic priorities such as providing a Medicare prescription drug benefit, reducing the number of uninsured Americans, increasing investments in education and research, and reducing child poverty, as well as proposals to raise defense spending. The Senate Finance Committee marriage penalty proposals would eat up more than three-fifths of this $400 billion in a single bill.

ROTH PLAN FAVORS HIGHER-INCOME TAXPAYERS

The most expensive provision in the Roth bill would change the tax brackets for married couples. It would raise for couples both the income level at which the 15 percent bracket ends and the 28 percent bracket begins, and the income level at which the 28 percent bracket ends and the 31 percent bracket begins. Joint Tax Committee estimates, show this provision would cost nearly $123 billion over the next 10 years even though it does not fully phase in until fiscal year 2008. In the years between 2008 and 2010 it would account for 54 percent of this plan.

Because this provision would raise the income level at which the 15 percent and 28 percent brackets end for married couples, it would benefit only those couples whose incomes exceed the level at which the 15 percent bracket now ends. A couple with two children would need to have income surpassing $62,400 (in 2000 dollars) to benefit. Only one of every four taxpayers, and one of every three married taxpayers, have incomes that place the taxpayers above the point at which the 15 percent bracket currently ends.

Thus, when the provisions of the Roth plan are phased in fully, more than half of its tax cuts would come from a provision that exclusively benefits taxpayers in the top quarter of the income distribution and married couples in the top third of the distribution.

A second provision in the Roth bill would increase the standard deduction for married couples. This approach focuses its tax benefits on middle-income families. Most higher-income families have sufficient expenses to itemize their deduction and do not use the standard deduction. Most low-income working families have no income tax liability and would not benefit. If this provision were effective in 2000, the standard deduction would increase by $1,450, which would generate a $218 tax cut for most couples in the 15 percent tax bracket. This provision would account for a little more than one quarter (27 percent) of the plan's costs over the first 10 years and one-fifth of the plan's annual costs when all provisions of the plan are phased in fully.

The third provision of the Roth plan is an increase in the amount of the earned income tax credit that certain married couples with low earnings can receive. This is the one provision of help to low-income married families. When all of the provisions of the plan are phased in fully, the EITC provision would represent four percent of the plan's annual costs. (This provision would account for six percent of the plan's costs over the first 10 years.)

Low-income married families can face marriage penalties that arise from the structure of the Earned Income Tax Credit. EITC marriage penalties occur when two people with earnings marry and their combined higher income makes them ineligible for the EITC or places them at a point in the EITC ''phase-out range'' where they receive a smaller EITC than one or both of them would get if they were still single.

The Roth proposal would reduce EITC marriage penalties by increasing by $2,500 the income level at which the EITC for married families begins to phase down, as well as the income level at which married families cease to qualify for any EITC benefits. For a husband and wife that each work full time at the minimum wage, the Roth proposal would alleviate about 44 percent of their marriage tax penalty.

The plan also contains a fourth provision that is not directly targeted at relieving marriage penalties. This measure would address some of the problems that will result in significant numbers of middle-income families becoming subject to the Alternative Minimum Tax in future years—a situation never intended when the AMT was enacted—by permanently allowing both non-refundable and refundable personal tax credits to offset AMT tax liability. This provision would account for one-quarter of the legislation's total cost when all of the bill's provisions are fully implemented.

ROTH PLAN TARGETS BENEFITS ON HIGHER-INCOME TAXPAYERS

The Joint Committee on Taxation has estimated the distribution impact of this proposal on taxpayers in the years 2001 through 2005. For 2005, the JCT found that more than

70 percent of the benefits of this tax proposal would go to tax filers with incomes exceeding $75,000, while only 15 percent of the benefits would go to tax filers with incomes below $50,000. Moreover, these figures understate the extent to which higher-income taxpayers would benefit, because the costly bracket increases that benefit only the top quarter of taxpayers would not be fully in effect until fiscal year 2008. The final year covered by the JCT estimate is 2005.

Some observers note that married taxpayers tend to have higher incomes than other taxpayers, in part because there often is more than one earner in the family. They point out that looking at the distribution of benefits among all taxpayers makes the distribution appear more skewed than it is seen to be if just the effect on married taxpayers is considered. This is not the case, however, with respect to the Roth proposal.

An analysis by Citizens for Tax Justice shows that even within the universe of married couples, the Roth plan disproportionately benefits those married couples who are at the upper end of the income spectrum. The Citizens for Tax Justice analysis finds that among married couples, those with incomes in excess of $75,000 would garner 68 percent of the benefits of the Roth proposal when the plan is phased in fully. Some 41 percent of the benefits would go to married couples with incomes in excess of $100,000. Only 15 percent of the benefits would go to those with incomes below $50,000. (See Table 1.)

TABLE 1.—EFFECTS OF THE FINANCE COMMITTEE MARRIAGE PENALTY RELIEF BILL

Income group ($–000)	Number of joint returns (000)	Percent of joint returns	Married couples	
			Average tax cut	Percent of total tax cut
<$10K	1,357	2.5	−$14	0.1
$10–20K	4,566	8.4	−128	2.2
$20–30	6,304	11.5	−220	5.2
$30–40K	6,227	11.4	−172	4.0
$40–50K	6,286	11.5	−148	3.5
$50–75	13,274	24.3	−344	17.0
$75–100K	7,184	13.1	−1,006	27.1
$100–200K	6,893	12.6	−1,118	28.9
$200K+	2,349	4.3	−1,342	11.8
$Total	54,632	100.0	−488	100.0
<$50K	24,740	45.3	−162	15.0
$75K	16,426	30.1	−1,101	67.9

Figures show the effects of the bill when phased in fully. The income levels in the table are 1999 income levels. Under the legislation, the changes in the standard deduction and earned-income tax credit for couples would take effect in 2001. The changes in the starting points for the 28% and 31% tax brackets for couples would be phased in starting in 2002 and finishing in 2007. The totals exclude about $0.8 billion in tax cuts for married persons filing separate returns. Changes in the Alternative Minimum Tax, which would maintain the current treatment of tax credits under the AMT, are not included.

Source: Institute on Taxation and Economic Policy Tax Model, March 30, 2000.

ROTH PLAN DOES NOT FOCUS ITS BENEFITS ON FAMILIES FACING MARRIAGE PENALTIES

Three of the proposals in the Roth plan, the standard deduction increase, the tax bracket extensions, and the EITC provision—would provide general tax relief for married couples, rather than marriage penalty relief focused on families that actually face penalties. The fourth provision, allowing tax credits to offset the AMT, is not specifically targeted on married couples.

Under the current tax structure, no one-earner couples face marriage penalties; they generally receive marriage bonuses. The families that face marriage penalties are two-earner families. The Roth plan, however, would reduce tax burdens for one-earner and two-earner married couples alike. As a result, the plan is far more expensive than it needs to be to reduce marriage penalties.

Indeed, nearly two-fifths of the cost of the legislation results from tax reductions that would increase marriage bonuses rather than reducing marriage penalties. Another two-fifths of the cost would reduce marriage penalties. The remaining fifth would not affect marriage penalties and bonuses.

If the ''marriage penalties relief'' provisions are considered alone, approximately half of the cost of these provisions would go to increase marriage bonuses. When the Treasury Department examined a proposal to expand the standard deduction for married filers and to set the tax brackets for married couples at twice the level for single taxpayers—a plan similar to the Roth proposal—it found that only about half of the resulting tax cuts would go to reduce marriage penalties, with the rest going to increasing marriages bonuses.

LONG-TERM COST OF ROTH PLAN

The Roth plan has a $248 billion price tag over ten years, in comparison to the $182 billion cost of the similar marriage penalty relief plan the House passed earlier this year. The major difference relates to the Alternative Minimum Tax. The House bill does not include any provision to allow non-refundable credits to offset the AMT, even though failure to do so would allow the Alternative Minimum Tax in future years to tax back from millions of middle-class taxpayers the tax benefits that the legislation otherwise provides. If one assumes the full cost of the House plan ultimately would include changing the AMT to prevent that from occurring, the full cost of the plan would be considerably higher than $182 billion.

The Roth plan, which includes substantial AMT changes, provides a more accurate view of the total cost. Nevertheless, the Roth plan itself appears to hold hidden costs relating to the AMT. Even under the Roth plan, the alternative minimum tax would prevent some higher-income married taxpayers from enjoying the benefits of the wider tax brackets. If the Roth plan were enacted and the AMT were subsequently modified to address this issue, as would be likely, the changes in the Roth plan would have a larger cost.

Leaving aside the additional AMT issues that might have to be addressed in future years, the Roth plan would rise in cost from $23.3 billion in 2005 to $39.9 billion annually by 2010 (assuming the sunsets do not hold). When the plan was fully in effect, its long-term cost thus would greatly exceed the $248 billion price tag for the first ten years.

DEMOCRATS OFFER MORE TARGETED PLAN

Democrats are expected to offer on the Senate floor a modestly less expensive version of marriage penalty relief that is more targeted on married couples that experience marriage penalties under current law.

The Democratic plan would give married couples two different options for filing their taxes. The couples could file jointly, as the vast majority of couples do under current law. Alternatively, couples would have a new option under which a husband and wife could each file as single individuals, although they would file together on the same tax return. Each couple would have the opportunity to make two different tax calculations and pay taxes using the method that resulted in the lowest tax bill. In addition, the proposal would in some circumstances allow each spouse in a family with more than one child to claim a separate Earned Income Credit (for different children), based on that spouse's income; this would effectively double the level of income such a family could have and receive the EITC.

This new option for single filing would begin to be phased out for couples with incomes exceeding $100,000. Couples with incomes exceeding $150,000 would not be eligible to use the option.

The optional separate filing provision would reduce or eliminate marriage penalties for most couples below the $150,000 income limit. It would maintain marriage bonuses for couples that receive such bonuses under current law. In contrast to the Roth plan, however, it would not increase marriage bonuses for couples that already receive them.

The Democratic alternative would cost approximately $21 billion a year when fully in effect in 2004. Buy comparison, the Republican plan would cost approximately $40 billion a year when fully in effect in the years 2008–2010, of which slightly more than $30 billion a year is attributable to the marriage penalty provisions. (The remainder reflects the costs of the AMT provisions.) When costs for similar years are compared, the fully phased-in cost of the Democratic plan would be about four-fifths of the fully phased-in cost of the Republican bill, excluding its AMT provisions.

Mr. FEINGOLD. I ask unanimous consent that my amendment be temporarily laid aside.

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

AMENDMENT NO. 3846

(Purpose: To provide a nonrefundable credit against tax for costs of COBRA continuation insurance and allow extended COBRA coverage for qualified retirees, and for other purposes)

Mr. FEINGOLD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. BUNNING). The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD] proposes an amendment numbered 3846.

Mr. FEINGOLD. 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.'')

Mr. FEINGOLD. Mr. President, I rise to offer an amendment to expand access to affordable health insurance through COBRA. It includes a 25 percent tax credit for COBRA premiums, plus an expansion of COBRA to cover retirees whose employer-sponsored coverage is terminated. It pays for this expansion by eliminating a tax break for mining companies.

Since 1985, people who lose their jobs have been able to buy into their former employer's health insurance plan. This COBRA coverage has provided some continuity to workers between jobs, but for many Americans, COBRA is an empty promise.

That is because under COBRA, people have to pay their own way. But many people who lose their jobs lose any hope of being able to afford health insurance on their own.

Mr. President, employer coverage gets a tax break, but individual purchases do not. This amendment would rectify the situation in part by providing a 25 percent tax credit to individual COBRA premiums, giving a little support to people who would otherwise go without health coverage.

But COBRA only applies for a brief time, generally eighteen months at most. After that, people must find another source of insurance, or be forced to join the growing legions of uninsured Americans.

For older Americans before age 65, there is no other practical source of insurance. Individual plans for people at age 60 can be four times the amount that young Americans could pay. In many parts of the country, the market for individual coverage is not sufficiently developed to provide seniors any affordable health care option.

That is why this amendment also extends COBRA for retirees whose employers discontinue their health coverage. Retirees would not lose access to COBRA after eighteen months, but could keep it until they turn 65 and qualify for Medicare.

Imagine getting a letter from your former employer one day telling you that the retiree health coverage that you had been promised and that you had been counting on was going to be taken away from you. There would be nothing you could do about it. Only with approval of this amendment would you be guaranteed access to quality health care.

To pay for expanding access to health care, this amendment would eliminate from the tax code the percentage depletion allowance for hardrock minerals mined on federal public lands. It retains the percentage depletion allowance for oil and gas extracted on public and private land, and also retains this deduction when hardrock minerals are mined on private land.

Mineral producers are allowed to deduct a defined percentage of their profits from their income before computing income taxes. There is no restriction in the tax code to limit this deduction to the value of the property, and this deduction is in addition to standard cost depletion for capital equipment such as machinery and vehicles. As a result, companies may over time deduct more than the total value of the property.

Today, the percentage depletion rate for most hardrock minerals is 22 percent, while others such as gold, silver, copper and iron ore are depleted at lower rates ranging from 5 percent to 15 percent.

On public lands, where mining companies do not pay any return to the taxpayer for the value of the mineral resources they are depleting, and pay a very nominal patenting fee, this policy is very costly to the American taxpayer.

So instead of providing this tax break to mining companies, let's instead offer a little help to people who lose their health insurance.

Mr. President, 44 million Americans lack basic health insurance. This is a problem that demands attention. Let's build on a law that already works to help people, Americans who have not other health care choice. Let's expand COBRA for retirees to support their transition form work to Medicare. Let's help people afford to keep the health insurance they need. I ask my colleagues to support this sensible amendment. I yield the floor.

Mr. President, I ask unanimous consent that my amendment be temporarily laid aside.

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

Mr. FEINGOLD. I thank my colleagues for their patience on this. I look forward to the votes on these amendments. I thank the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

AMENDMENT NO. 3847

(Purpose: To amend the Fair Labor Standards Act of 1938 to provide more effective remedies to victims of discrimination in the payment of wages on the basis of sex)

Mr. HARKIN. Mr. President, I send an amendment to the desk on behalf of myself, Senator DASCHLE, Senator FEINSTEIN, and Senator KENNEDY.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself, Mr. DASCHLE, Mrs. FEINSTEIN, Mr. KENNEDY, and Mr. REID, proposes an amendment numbered 3847.

Mr. HARKIN. 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.'')

Mr. HARKIN. Mr. President, this amendment is the Paycheck Fairness Act, which was introduced under Senator DASCHLE's leadership. It addresses an important economic issue—an issue that affects women, working families, retirees and America's children. I'm talking about the wage gap between women and men and how this legislation would work to close it.

You might think since Congress passed the Equal Pay Act in 1963, the wage gap wouldn't exist. But women are still paid only 73 cents for every dollar a white man earns.

Part of the problem is that we need to do a better job of enforcing that law. That's why I am a proud cosponsor of this bill that would strengthen the Equal Pay Act.

This legislation would allow those who win their wage discrimination claims in court, to collect punitive and compensatory damages. It would put new money into employer education and honor employers with best practices. And, it would ensure that women can not be retaliated against by their employers for sharing pay information.

Senator DASCHLE's bill is a modest but needed step in ending pay discrimination. It has received strong support from the Administration and from advocates for working women, such as the AFL–CIO and the Business and Professional Women, the National Women's Law Center, and the National Partnership for Women and Families.

This body also has before it, the Fair Pay Act, legislation that I have introduced which takes the next step to closing the wage gap. It targets female-dominated jobs that are routinely underpaid and undervalued. My bill would require wages be set based on responsibility, skill, effort and working conditions.

The simple fact remains—working families face the problem of wage discrimination every day and lose billions of dollars in wages because of it. The average working woman loses $420,000 over a lifetime due to the wage gap.

We cannot continue to short-change women and families. It is our hope that for working women today, that this Congress will pass the Paycheck Fairness amendment to help end the wage gap.

Mr. President, I ask unanimous consent that my amendment be temporarily laid aside.

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

Mr. REID. Mr. President, I ask unanimous consent that I be added as a cosponsor of the Harkin amendment.

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

The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I ask unanimous consent to be added as a cosponsor of the Harkin amendment.

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

Mr. KENNEDY. Mr. President, pay discrimination against women continues to be a serious problem in our society. The wage gap now costs America's families $200 billion a year. Nearly two-thirds of working women report that they provide half or more of their family's income, and nearly one in five U.S. families is headed by a single woman. Yet single mothers continue to earn the lowest average rate of pay.

Although the Equal Pay Act was signed into law 37 years ago, the wage gap today continues to plague American families, and wage discrimination continues to be a serious and pervasive problem in workplaces across the country. In spite of the Equal Pay Act, women still earn only 73 cents for every dollar earned by men. And the pay disparities between white men and women of color are even more disturbing. African American women earn just 63 cents, and Latinas earn only 53 cents for every dollar earned by white men. And men of color suffer from pay inequality as well.

These disparities translate into large costs in lost wages and lost opportunity. The average working woman loses $4,200 in income annually, and suffers a loss of $420,000 over her career. In Massachusetts, women earn an average of $512 weekly, compared to $640 earned by men for the same period of time. This gender gap has a long-term impact, since lower wages and lower lifetime earnings lead to lower pension benefits in retirement. The median pension benefit received by new female retirees is less than half that of benefits received by men.

Women are entitled to the same paychecks as male colleagues who perform

the same or comparable work. Without this guarantee, women are less able to provide an economic safety net for themselves and their families. If married women were paid the same wages as men in comparable positions, their family incomes would rise by nearly 6 percent, and their families' poverty rates would fall. If single women earned as much as men in comparable positions, their incomes would rise by 13 percent, and their poverty rates would be reduced as well. These figures demonstrate the severe effect of pay disparities on the lives of women and their families.

Equal pay helps men as well as women. One of the major causes of pay inequity is sex segregation in the workplace. Jobs traditionally held by men, such as jobs which involve heavy lifting or truck driving, are compensated more highly than jobs traditionally held by women, which often involve caretaking or nurturing activities. Both men and women in jobs predominantly held by women—such as sales, service, nursing, child care, teaching and clerical positions—suffer the effects of pay bias. As the percentage of women within an occupation increases, the wages for that job decrease.

Women and men alike will receive significant gains in earnings if they are paid the same wages as comparable workers in jobs that are not predominantly female. Men and women who work in predominantly female occupations earn less than comparable workers in other occupations. Women would gain $89 billion a year, and men would gain $25 billion from pay equity increases in female-dominated jobs. The 4 million men who work in predominately female occupations lose, on average, over $6200 each year. The increase in payroll costs that would result from these wage adjustments would be only 3.7 percent of total hourly payroll costs throughout the economy.

Some argue that these differences in pay are based on different levels of education, years in the workforce and similar factors. But, these factors alone do not explain away the wage gap. Studies have found substantial pay differences between men and women working in the same narrowly defined occupations and establishments. Studies of discrimination in hiring offer additional evidence on the gender pay gap.

Educational advancement hasn't solved this problem. Although women have now surpassed men in the percentage of those earning a college or advanced degree, college-educated women earn almost $14,000 less than college educated men. A black woman with a master's degree earns almost $10,000 less annually than a college-educated white male. A college-educated Hispanic female makes only $727 more than a white male with a high school degree. These disparities in compensation for men and women can be explained by one factor—blatant discrimination.

Consider the story of Sarah Foulger, who served as pastor of a church in Maine for more than 10 years. For the last 5 of those years, she asked for a pay raise, and every year she was told the increase had to be delayed or reduced. Within weeks of her departure, the church was able to significantly increase the salary of the male pastor hired to replace her. After 17 years of her ministry, she earned less than $7,000 in pension credits. The third of her salary that was missing—multiplied by just 4 years of being underpaid—would have added up to enough money to pay for a State college education for one of her children.

Gender and race-based wage discrimination is also present on Capitol Hill, and it is glaring and embarrassing for all of us. Women custodial workers in the House and Senate Office Buildings have been underpaid for years, and have finally brought suit against the Architect of the Capitol. Even though the women custodians perform essentially the same work under the same job conditions as male workers, they are paid almost a dollar less an hour.

But there are some successes. Nancy Hopkins is a molecular biologist and professor at M.I.T. When she learned that she was making less than her male colleagues, she took the issue to the administration. M.I.T's top officials responded by issuing a report acknowledging that its female professors suffered from pervasive, if unintentional, discrimination. The report documented discrimination in hiring, awards, promotions, membership on important committees, and allocation of important resources such as laboratory space and research funding.

Eastman Kodak Company provides another significant example. After an internal study of its compensation practices, Kodak voluntarily agreed to pay $13 million in back pay to 2,000 female and minority employees who had been underpaid because of their race or gender. Kodak continues to work to improve the number of women and minorities in mid-level and senior-level management positions.

The plight of these women who work hard and are denied fair compensation is unacceptable. The disparities are particularly alarming because they persist almost 40 years after the Equal Pay Act was enacted, and at a time when our nation is experiencing unprecedented prosperity, when women are entering the workforce in record numbers, and when women are spending less time at home with their children, and more time at work.

Businesses and other private institutions across the country also have a responsibility to do more to correct this injustice. I commend M.I.T. for the impressive example it has set by acknowledging that women professors suffer from pervasive pay discrimination and by making a clear commitment to correct it. And I commend Eastman Kodak for its efforts to address the wage gap in response to NAACP concerns, by launching an investigation and providing raises for 12 percent of its female and 33 percent of its black employees. More businesses and organizations need to follow these leads.

Congress must do more to solve this unconscionable problem. Our goal is not just to reduce the pay gap, but to eliminate it entirely. Senator DASCHLE's Paycheck Fairness Act is a needed step to correct this injustice in pay. It will provide more effective remedies for women denied equal pay for equal work. And Senator HARKIN's Fair Pay Act will prohibit wage discrimination based on sex, race, or national origin for employees in equivalent jobs in the same workplace. Congress should pass both the Paycheck Fairness Act and The Fair Pay Act. These bills are necessary steps to eliminate the disparity between the earning power of men and women. It's the right thing to do—and the fair thing to do—for working families.

At a time when our economy is more prosperous than ever, when unemployment is at a 30 year low, and when women are entering the labor force at an all time high, there is no excuse for discrimination that cheats women out of their fair pay.

AMENDMENT NO. 3848

(Purpose: To amend title XIX and XXI of the Social Security Act to permit States to expand coverage under the Medicaid program and SCHIP to parents of enrolled children and for other purposes)

Mr. KENNEDY. 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 Massachusetts [Mr. KENNEDY] proposes an amendment numbered 3848.

Mr. KENNEDY. 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.'')

Mr. KENNEDY. Mr. President, the Republican marriage tax plan provides a quarter of a trillion dollars in tax breaks over the next ten years. Only 15 cents of every dollar in tax breaks goes to families with incomes of less than $50,000 a year. Sixty-eight cents of every dollar goes to families with incomes of more than $75,000 a year and 40 cents goes to individuals with more than $100,000 in income. Someone with $200,000 in income gets a $1,300 tax break, while a family struggling to make ends meet on $30,000 a year gets a meager $172—about fifty cents a day. Many of the tax breaks in the bill have nothing to do with the so-called marriage penalty.

I'd like to point out that right now we have a marriage and work penalty in Medicaid. Up to 14 states—which account for more than 22 percent of the

population—penalize two-parent low-income families by having stricter eligibility standards for Medicaid or even prohibiting enrollment. For example, in Maine, married parents earning a total of $14,000 annually can't qualify for Medicaid, but a single parent earning the same amount can.

The work penalty is equally appalling. In 37 states, a single parent with two children can qualify for Medicaid only if she earns 80 percent of the poverty level or less. Only 13 states offer Medicaid coverage to a single parent who works full-time in a minimum wage job and has two children. That's wrong, and this amendment would fix it.

It would also provide financial incentives and new options for states to expand CHIP and Medicaid to parents and older youths, and it would improve enrollment in CHIP and Medicaid. These are two important steps that we should be able to take this year.

An overwhelming majority of the uninsured are working men or women, or family members of workers. In fact, the vast majority are members of families with at least one person working full-time.

Most uninsured workers are not uninsured by choice. They are uninsured because their employer either does not offer coverage, or because they are not eligible for the coverage if it is offered. Seventy percent of uninsured workers are in firms where no coverage is offered. Eighteen percent are in firms that offer coverage, but they are not eligible for it, usually because they are part-time workers or have not worked in the firm long enough to qualify for coverage. Only 12 percent of uninsured workers are offered coverage and actually decline, and some of them do so because they have other coverage available.

Most of the uninsured have low or moderate incomes. Thirty-seven percent are at or below the federal poverty level. Twenty-eight percent have incomes between 100 and 200 percent of poverty. Fifteen percent have incomes between 200 and 300 percent of poverty.

While good coverage for all Americans may not be feasible at this time, we can and must do more to close the current health insurance gap.

It is a national scandal that lack of insurance coverage is the seventh leading—and most preventable—cause of death in America today.

Numerous studies indicate that lack of insurance leads to second-class health care or no health care at all. A recent article in the Journal of the American Medical Association found that angina patients with insurance are more than twice as likely as uninsured patients to receive needed bypass surgery. Across the nation, more than 32,000 patients are going without needed heart surgery because of their lack of insurance.

The numbers are equally dramatic when it comes to cancer. Early detection and treatment of cancer often makes the difference between life and death. Uninsured patients are two and a half times more likely not to receive an early diagnosis of melanoma and one and a half times more likely not to benefit from early detection of breast cancer, prostate cancer, or colon cancer. Tragically, the new and promising treatments resulting from our national investment in the NIH are out of reach for millions of uninsured Americans.

In 1997, we took a major step toward guaranteeing health insurance to millions of children in low-income working families whose earnings are above the cut-off for Medicaid. Every state is now participating in the children's health insurance plan, and most states have plans to increase coverage under these programs again this year.

As of January, two million children had been enrolled in the program, and many other children had signed up for Medicaid as a result of the outreach efforts. Soon, more than three-quarters of all uninsured children in the nation will be eligible for assistance through either CHIP or Medicaid.

An article in the Journal of the American Medical Association found that 57 percent of uninsured children had an unmet major medical need before enactment of CHIP. But just one year after receiving coverage, only 16 percent of these same children had an unmet medical need.

The lesson is clear. Access to insurance improves access to health care, which improves health. We have the resources. We have good programs. We must do all we can to increase their effectiveness. Clearly, the states and the federal government have more to do.

The overwhelming majority of uninsured low-wage parents are struggling to support their families. Too often, there is too little left to pay for health care. Parents who work hard, 40 hours a week, 52 weeks a year, should be eligible for assistance to buy the health insurance they need to protect their families. Our message to them today is that help with health care is on the way.

As I mentioned earlier, under current law, Medicaid is generally available only to single-parent families. Our proposal also repeals this ''health marriage tax.'' It is a serious penalty for low-wage two-parent families, and one which is comparable to the ''marriage penalty'' in the tax code.

This proposal also rewards work. Currently, most parents in families with an employed person are not eligible for Medicaid, while families headed by non-workers are eligible if their income is low enough. That's not right. Eligibility should be tied to need, not to employment status. It's a historical artifact of the system and it ought to be changed.

Coverage for parents also means that coverage for their children is more likely too. Parents are much more likely to enroll their children in health insurance programs, if the parents themselves can obtain coverage.

These steps will provide up to six and a half million more Americans with the health insurance coverage they need and deserve. If we are sincere in this debate about helping working families, our goal should be to enact this coverage before the end of this year. I urge my colleagues to support it.

Mr. President, I will take a few minutes more of the Senate's time to review where we are as an institution and where we are effectively as a country on the people's business.

We have just passed an estate tax bill that is going to cost the Treasury $750 billion over the next 20 years. Half of the benefit of that, some $300 billion, will benefit some 1,400 families. Four hundred families will benefit by $250 billion. So this is a proposal that is basically benefiting the wealthiest individuals in the country.

With the marriage penalty tax that is before us, it is $250 billion over a 10-year period, and 40 percent of the people who benefit from it have incomes over $100,000—$100 billion of that $250 billion is going to go to people with incomes in excess of $100,000.

As the result, at the end of this week and at the end of consideration of the legislation before us, we will have expended $1 trillion. Going into Monday night, when we are going to complete the issue on the marriage penalty, we will have spent $1 trillion. We have to ask, who has benefited and who has not.

Quite clearly, as this chart points out, the people who have benefited are the wealthiest individuals in our country. We see the average value of estate exempted under the Republican plan is $2.3 million. The median income of a Medicare beneficiary is $13,800.

We find out, if we look at another indicator about who is going to benefit, that the Federal expenditure per person under the Republican estate tax repeal is $268,000 versus $900 for the Medicare prescription drug coverage we are trying to pass here.

We think it is about time that we started looking out after the senior citizens, 40 million of them, who need a prescription drug program. We know they have enormous needs. That is why we are in such strong support of the proposal being advanced by Senator ROBB, Senator GRAHAM, the leader, and other measures.

At the end of this week and the beginning of next week, with the expenditure of about $1 trillion from the Treasury, we are not buying one new book for a child in America. We are not buying one new Band-Aid or one prescription drug for a senior citizen who is in need.

We are not making our schools any safer by an effective program that might limit guns in our schools in this country. We have not done a single thing to stop an accountant in an HMO from denying care that may put a patient at further risk in our society. We have not done anything about prescription drugs. We have not done anything

to provide a real Patients' Bill of Rights. That is at the end of this week, where we have spent $1 trillion.

When I go back to Massachusetts in a short while, people are going to be asking: What have you done? You spent $1 trillion. Have you done anything for our schoolchildren? Have you done anything for our parents? Have you done anything about prescription drugs? Have you done anything to make our health care system safer? Have you done anything to make our schools safer? Have you done anything to increase access to health care? The answer to all of those is no, we have not.

That is very clearly not a matter of accident. That is a matter of choice. It is a matter of priority.

It is a result of the Republican leadership having set out an agenda, and it is an agenda to which I take strong exception. I cannot believe that it is the agenda of working families in this country. It cannot reflect their priorities.

Working families are concerned most about their children. They are concerned about their parents. They are concerned about their jobs and safety and security. They are concerned about living in safe and secure neighborhoods with clean air and clean water.

We have not touched a single item that will impact and affect average families in America. As an institution, we have failed to meet their priorities.

We are going to continue to fight these battles, next week and beyond, all the way through, as long as we are in session. We will fight it continuously right up to the time of the election.

I want to be clear. I support legislation that would provide tax relief to the working families who are currently paying a marriage penalty. Such a penalty is unfair and should be eliminated. However, I do not support the proposal which the Republicans have brought to the floor.

While its sponsors claim the purpose of the bill is to provide marriage penalty relief, that is not its real purpose. In fact, only 42 percent of the tax benefits contained in the legislation go to couples currently subject to a marriage penalty. The majority of the tax benefits would actually go to couples who are already receiving a marriage bonus, and to single taxpayers. As a result, the cost of the legislation is highly inflated. It would cost $248 billion over the next ten years.

And, as with most Republican tax breaks, the overwhelming majority of the tax benefits would go to the wealthiest taxpayers. This bill is designed to give more than 78 percent of the total tax savings to the wealthiest 20 percent of taxpayers.

It is, in reality, the latest ploy in the Republican scheme to spend the entire surplus on tax cuts which would disproportionately benefit the richest taxpayers. That is not what the American people mean when they ask for relief from the marriage penalty. With this bill, the Republicans have deliberately distorted the legitimate concern of married couples for tax fairness.

All married couples do not pay a marriage penalty. In fact, a larger percentage of couples receive a marriage bonus than pay a marriage penalty. The only couples who pay a penalty are those families in which both spouses work and have relatively equivalent incomes. They deserve relief from this inequity and they deserve it now. We can provide relief to the overwhelming majority of the couples simply and at a modest cost. That is what the Senate should do. Instead, the Republicans have insisted on greatly inflating the cost of the bill by adding extraneous tax breaks primarily benefitting the wealthiest taxpayers.

A plan that would eliminate the marriage penalty for married couples could easily be designed at a much lower cost. The House Democrats offered such a plan when they debated this issue in February. The Senate Democrats are offering such an alternative plan today. If the real purpose of the legislation is to eliminate the marriage penalty for those working families who actually pay a penalty under current law, it can be accomplished at a reasonable cost.

The key to drafting an affordable plan to eliminate the marriage penalty is to focus the tax relief on those couples who actually pay the penalty under current law. The Republican proposal fails to do this, and, as a result, it actually perpetuates the marriage penalty despite the expenditure of $248 billion on new tax cuts. Under the Democratic plan, the tax relief actually goes to those currently paying a marriage penalty. It is also essential to target the tax benefits to the middle income working families who need tax relief the most. The Democratic plan focuses the tax benefits on those two earner families with incomes less than $150,000. By contrast, major portions of the tax benefits in the Republican plan would go to much wealthier taxpayers at the expense of those families with more modest incomes. As a result, the Democratic proposal would cost $11 billion a year less, when fully implemented, than the Republican plan, yet provide more marriage penalty tax relief to middle income families.

The problem we have consistently faced is that our Republican colleagues insist on using marriage penalty relief as a subterfuge to enact large tax breaks unrelated to relieving the marriage penalty and heavily weighted to the wealthiest taxpayers. The House Republicans put forward a bill which would cost $182 billion over 10 years and give less than half the tax benefits to people who pay a marriage penalty. Even that was not enough for the Senate Republicans. They raised the cost to $248 billion over 10 years with nearly all the additional amount going to the wealthiest taxpayers. A substantial majority, 58 percent of the tax breaks in the Senate bill would go to taxpayers who do not pay a marriage penalty.

Nor is this the only excessive and unfair tax cut bill the Republicans have brought to the floor this year. They attached tax cuts to the minimum wage bill in the House, tax cuts to the bankruptcy bill in the Senate. They have sought to pass tax cuts to subsidize private school tuition and to eliminate the inheritance tax paid by multimillionaires.

Just this morning, the Republican leadership forced through the Senate a complete repeal of the inheritance tax, which will cost over $50 billion per year when fully implemented. More than 90 percent of the tax benefits of that bill will go to the richest one percent of taxpayers.

In total, the Republicans in the House and Senate have already passed tax cuts that would consume over $700 billion during the next ten years.

The result of this tax cut frenzy is to crowd out necessary spending on the priorities that the American people care most about—education, prescription drugs for seniors, health care for uninsured families, strengthening Medicare and Social Security for future generations. It's misguided and short-sighted, and I strongly object to it.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, Senator BROWNBACK and I are going to make statements about the bill. This is my bill. I have been working on marriage penalty relief for the last 4 years.

Senator ASHCROFT, Senator ABRAHAM, Senator GRAMS of Minnesota, Senator BROWNBACK, and I, along with my colleague, Senator GRAMM, have all made this a very high priority in our legislative agenda. We have made this a high priority because we believe it is un-American to make people choose between love and money. That is what the marriage penalty does.

In America, if you make $30,000 and you are a schoolteacher and you marry a policeman who makes $30,000, all of a sudden, you owe more in taxes. I thought it was interesting; the Senator from Massachusetts just said we have spent a trillion dollars by giving death tax relief. We spent a trillion dollars, and what do we have to show for it?

I have to ask the question: Whose money is it? Is letting people keep more of the money they earn in their pocketbooks and to decide how they want to spend it wrong? I think we should let people keep their money. I don't consider it spending a trillion dollars, allowing people to keep the money they earn. I think it is the reverse.

I believe we should not be spending other people's money, when we are running a huge surplus and don't need it in the Federal Government for new programs. I believe the American people can make better decisions about how they spend the money they earn than we can here in Washington.

So when you are talking about tax relief, you are not talking about spending money. It is not the Government's money. It belongs to the people who earn it. Government, by the consent of the governed, will take some money for the good of everyone—for national defense, for clearly Federal issues that cannot be done by people individually, for our security. But it becomes confiscatory when a couple making $30,000 apiece has to pay $1,000 more in taxes just because they get married. That is what we are trying to eliminate today.

When the distinguished Senator from Massachusetts says we have done nothing for the average family, I just ask him if a policeman and a schoolteacher constitute an average family. I think they do, and I think they deserve the $1,000, or $1,400, more they are paying in taxes to make the downpayment on their first home. That is help for the American family. That is help for the average family. A young couple who make $30,000 each and get married may not be able to save for a downpayment if they are having to pay $1,400 more in taxes just because they got married.

So tax relief is not spending money. Spending money that other people earn is spending money—their money. I think there is a huge difference.

The bill we have before us today would double the standard deduction so that if you get married, you don't get penalized. Today, if two single working people get married, they will pay approximately $1,100 more in taxes because of the standard deduction. We want to double the standard deduction because we don't think it should be different for two working singles or a married couple, both working. So we want the standard deduction to be $8,800, exactly double the standard deduction.

Secondly, we want people in the 15-percent bracket and the 28-percent bracket not to be punished because the got married and were pushed into a higher tax bracket. We do this by widening each bracket for married couples so that it is exactly double the bracket size of a single taxpayer. So in the 15-percent bracket, if you are single or married, it will not make any difference because you will not go into the next bracket if we can pass marriage penalty relief because, of course, that is the problem. When a schoolteacher, who makes $26,000 and is in the 15-percent bracket, marries a policeman who makes $26,000 and is in the 15-percent bracket, they go into the 28-percent bracket, and that is why they pay more in taxes. We want them to be able to stay in the 15-percent bracket, each of them making $26,000 a year. That is exactly what our bill does.

Our bill increases the earned-income tax credit because we know that people—especially people coming off welfare—need to be able to have an earned-income tax credit to make sure they do better working than being on welfare. The Senate bill increases the earned-income tax credit parameters by $2,500. That is higher than the House version of the bill by $500. We think that is right. We want the people at the lowest end of the spectrum to know it really does make a difference that you work. We want it to be a benefit.

Another important aspect of our bill is preserving essential tax credits for families. Important tax credits such as the $500 per child tax credit, the adoption tax credit, the HOPE scholarship credit for families who want to send their children to college, the credit for expenses related to child care—they would all remain intact, regardless of the alternative minimum tax. Many families are finding that, with the alternative minimum tax, they lose the basic deduction that everyone else gets. The $500 per child tax credit should apply, regardless of whether a person is in the alternative minimum tax category.

We are trying to have a balanced approach for people who have a real problem. Just prior to this debate I, and several other Senators met with some of the couples that are affected by this bill. We had a couple from San Antonio, TX, Noe and Connie Garcia. He works for an insurance company; she is a Government employee. When they did their taxes last year, they estimated that they paid over $1,000 more in taxes because they are married.

We had a very young couple, Hubert and Min Joo Kim, come to visit with us today. They live in Maryland. She is a teacher; he is an engineer. They have been married for 2 years, and they have a 1-year-old daughter named Isabelle, who is absolutely a precious child. But they are losing the ability to do some of the things they would like to do for Isabelle because they are paying a marriage tax penalty.

Earlier this year I met with Kervin and Marsha Johnson live in Washington, DC. Kervin is a D.C. police officer. His wife is a Federal employee. They were married last July. This year, they paid almost a $1,000 more in taxes because they chose to get married.

Mr. President, these are just a few of the 21 million American couples who are suffering from the marriage penalty tax. This is not just tax relief, this is a tax correction. This is correcting an inequity that I don't believe Congress ever intended. Congress did not intend to say: If you are a policeman and you make $30,000 a year, and you marry a schoolteacher who makes $30,000 a year, we want you to pay $1,400 more in taxes. I don't believe Congress ever intended that to happen.

I think it is time for Congress to correct this inequity. If we pass this, next year the vast majority of couples will get immediate tax relief as we increase the standard deduction. Beginning the year after next, we start the phased-in increase of the tax brackets.

We are going to be debating this bill today, and we are going to start voting on some amendments Monday night.

When we passed marriage tax penalty relief once before, the President vetoed the bill. He said he didn't like some of the other tax cuts that were in the bill. The President said in his State of the Union Message that he favored tax relief for American families. He has said he favors marriage tax penalty relief. He said: Send me those bills individually because then I can pick and choose. So we sent him individually the elimination of the earnings test on Social Security recipients. He signed that bill. Today, because Congress acted and the President signed the bill, a person who receives Social Security benefits can work as much or as little as he or she wants to work. There will be no penalty. There will be no earnings test. We have opened the doors to hundreds of thousands of our senior citizens who would like to earn extra income.

Today we passed the elimination of the death tax. It is going to the President because we believe the American dream does not have fences. We believe the American dream is, if you come to America, you will have the freedom to succeed, and it will not be dependent on who your grandfather was. It will be dependent on you. If you want to work hard and give your children a better chance than you had, we want you to be able to keep the fruits of your labors and give your children that chance.

We have passed that. We have sent it to the President. We hope the President will sign that bill. Now we have marriage penalty relief. This is the marriage penalty relief for middle-income people who do not have the ability to make the choice not to get married because they want to start a family, and they want their children to grow up in a healthy, wholesome atmosphere. They don't have that choice because our tax code punishes them for doing so.

We are going to correct this inequity. We are going to pass marriage penalty relief. We are going to do what the President asked us to do; that is, send him the bill by itself. I hope he will sign it so we can give marriage penalty relief to hard-working American families.

I will close and ask that we hear from Senator BROWNBACK from Kansas, who has been the lead cosponsor of marriage penalty relief. We have worked for years side by side, along with Senator ABRAHAM, Senator ASHCROFT, Senator GRAMS, and my colleague, Senator GRAMM, to see this come to a successful conclusion.

I hope we can give the middle-income people of our country—people in the 15-percent bracket, the people in the 28-percent bracket, and people who get earned-income tax credits—more of the relief they deserve because I reject the argument that tax relief is spending money. Tax relief is spending money only if you think the Government has a right to the money you earned, and I don't think the Government does. I think the people who earn the money are entitled to that money. Tax relief is not spending money because the

Government doesn't own the money that is earned by the hard-working people of this country. We want them to keep more of it. That is the bottom line in this debate.

I would like to yield the floor to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. BROWNBACK. Mr. President, I thank the chairman of the Finance Committee, Chairman ROTH, who has done an outstanding job of getting this bill to this point. We are going to get this to the President. The President is going to have the opportunity to sign it and provide relief to over 20 million American couples.

The Senator from Massachusetts argued earlier that we haven't done anything for the vast majority of Americans this week. I disagree heartily with that. But he can certainly join us on this one.

We have over 20 million American couples, 40 million people—if you count family members affected by this issue, it is far more than that—who are going to be affected right now by this tax.

My comments are not long. They are simple and to the point.

There is an iron rule of government: If you want less of something, tax it; if you want more of something, subsidize it. We are taxing marriage, and we are getting less of it. That is hurting our families, and it is hurting our children.

We are taxing marriage to the tune of about $1,400 per couple per year. The tax is applied to 21 million American couples. We have seen a decline in the number of marriages from 1960 to 1996—about 40 percent during that period of time. I am not saying that is all associated with the marriage penalty. It is not. But, clearly, we are sending a signal across the country that we are for family values, but not really. We are going to go ahead and tax the very fundamental institution in which families do the most, and do their best. We are going to tax the fundamental institution around which families are built; that is the marriage. We are going to tax it significantly—$1,400 per married couple across America.

When you tax things, you get less of it. You can see what is taking place in the number of couples who are affected in this country.

In Kansas, we have nearly 260,000 married couples affected by the marriage penalty. You can see it in States as large as Texas with 1.75 million. You can see it in States such as New York with 1.5 million; States such as Massachusetts where 600,000 couples are taxed by this.

I certainly don't consider it spending money when you allow people to keep a little bit more of their own money, particularly when you have such an unfair tax as the one on marriage. It is one of those institutions that we should not be taxing, and yet we are.

The Senator from Texas and the Senator from Delaware hit the fundamentals of the bill—expanding the tax brackets in the 15- and 28-percent bracket, doubling the standard deduction to be able to take care of this, and the EITC credit as well—because the marriage penalty occurs in about 66 different places in the Tax Code. We are taking care of the biggest areas. But there are still some other areas we are trying to take care of as well.

I want to directly hit something that has been raised by some of my colleagues on the other side of the aisle, that we are somehow providing too much benefit to married couples. One of the Democrat proposals pushed around would actually put in place a homemaker penalty, where you would tax a couple if one decides to stay at home and take care of the family. One of the Democrat proposals would make families with one earner and one stay-at-home spouse pay higher taxes than families with the same household income and two earners; thus, putting in place a stay-at-home spouse penalty; a homemaker penalty.

Why would we discriminate against families who would decide to make the very difficult choice of one working outside of the home, one staying at home to take care of older members of the family, and younger members of the family to do other things around the community? Why would we want to penalize that type of situation and create that stay-at-home spouse penalty? I don't understand why that would be something we would want to do. Yet it is being bandied about that that is one of the amendments supported by our colleagues on the other side of the aisle.

I want to note, too, that the fundamentals of this are pretty simple and pretty stark as well. I have another chart to point that out. You can look at this as a typical couple getting married. They wanted to get married. We encourage this. This is a good thing, building families. It is a good thing for family values.

We have a first-year teacher making $27,000 of annual income. We have a rookie police officer with $29,698 of annual income. Individually we can see what they would pay in taxes: $3,030 for her; $3,434 for him. Yet if you put them together in a joint return, if you encourage them to get married and say we want you to build a family, we want you to build it within this construction of a marriage, this sacred union between man and woman, they say, OK, but our tax bill to do this—look, they are not making lots of money here: $27,500 for a first-year teacher, $29,000 for a rookie cop—at the Federal level is an additional $638.44.

Some say that is not a lot of money; they ought to pay it. Look at what they are making. They need to have this money if they are going to be able to do anything as a young couple, to start building a home, build some equity, and start a family. That is why this tax strikes so many people and why public opinion polls across the country say this is one tax people want removed.

Then we get letters. We get all sorts of letters. The Senator from Texas read some letters she received. I receive them. A number of Senators do.

This one is from Mark in Salina, KS, writing to urge us to reduce the marriage penalty. He says:

> Two single people that choose to get married must not pay more tax than two people who choose not to do so. That is a penalty for getting married. Correcting this problem is not ''cutting taxes.'' It is merely restoring them back to the way they were before the couple joined in marriage. Thus it is not a tax cut. It is the correction of the penalty for getting married. Please do the right thing.

The right thing clearly is passing this bill. The right thing for the President to do is sign this bill into law.

I have this letter from Thomas, from Hilliard, OH:

> No person who legitimately supports family values could be against this bill. The marriage penalty is but another example of how in the past 40 years the Federal Government has enacted policies that have broken down the fundamental institutions that were the strength of this country from the start.

This gentleman has hit on a couple of things. One, it is not a fair tax in the first place; it is something we ought to do away with. He even looks deeper and says, Is the Federal Government really trying to harm one of our fundamental institutions, as a country? Is that really the signal the Federal Government is sending me? Is that what they want to do? Yet a lot of people looking at the Government today actually believe that is the case, that the Government is trying to break down some of these fundamental institutions in our country around which we build our values and on which we build our Nation.

Here is another one from Jerry Fishbein, Pennsylvania. He writes:

> My wife and I have actually discussed the possibility of obtaining a divorce—something neither of us wants or believes in, especially myself . . . simply because my family cannot afford to pay the price [of the marriage penalty tax.]

We have had much debate on this issue. I am not going to keep that going on the floor. I think this is a clear choice. We should pass the marriage penalty elimination. We should not put in place a homemaker penalty within this bill. We should provide this relief to over 20 million American couples.

The President of the United States and his administration should sign this bill into law. We will pass this in the Senate. If it is passed in the House, the only thing that stands in the way of this bill is the President of the United States and his administration. I ask them, do they really want to send a signal to the American population that they don't value marriage; That they think it should be taxed so we get less of it? Is that really the signal they want to send?

I hope they will not and that the President will sign this into law.

AMENDMENT NO. 3849

(Purpose: To provide tax relief for farmers, and for other purposes)

Mr. BROWNBACK. Mr. President, I have an amendment. I send it to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. BROWNBACK] proposes an amendment numbered 3849.

Mr. BROWNBACK. 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.'')

Mr. BROWNBACK. Mr. President, this is an amendment I want to get into the mix. I would like it to be brought up and considered on Monday. It deals with a number of issues that are affecting CRP payments. I submit it for consideration, and I ask it be considered at the proper time. I ask now it be set aside for other business.

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

Mr. BROWNBACK. Mr. President, this is the right time and the right place. We have the wherewithal; we have the ability; we have the need to do this. This body should pass this bill. The President should sign this bill into law and eliminate the marriage penalty tax.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I have a number of amendments I am going to send to the desk.

AMENDMENT NO. 3850

Mr. REID. I send to the desk, first, an amendment on behalf of Senator DURBIN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. DURBIN, proposes an amendment numbered 3850.

Mr. REID. 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:

(Purpose: To amend the Internal Revenue Code of 1986 to increase the deduction for health insurance costs of self-employed individuals, and for other purposes)

At the end, add the following:

SEC. ___. DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS INCREASED.

(a) IN GENERAL.—Section 162(*l*)(1) of the Internal Revenue Code of 1986 (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, the taxpayer's spouse, and dependents.''.

(c) EFFECTIVE DATE.—The amendment made by this section applies to taxable years beginning after December 31, 2000.

Mr. ROTH. Mr. President, I make a point of order a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 3851 TO AMENDMENT NO. 3850

Mr. ROTH. Mr. President, I send to the desk an amendment in the second degree on behalf of Senator BOND, to the amendment offered on behalf of Senator DURBIN.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr.ROTH], for Mr. BOND, proposes an amendment numbered 3851.

Mr. ROTH. 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:

Strike all after the first word, and insert the following:

1. SHORT TITLE.

This Act may be cited as the ''Self-Employed Health Insurance Fairness Act of 1999''.

SEC. ___. DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS INCREASED.

(a) IN GENERAL.—Section 162(l)(1) of the Internal Revenue Code of 1986 (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, the taxpayer's spouse, and dependents.''

(b) CLARIFICATION OF LIMITATIONS ON OTHER COVERAGE.—The first sentence of section 162(l)(2)(B) of the Internal Revenue Code of 1986 is amended to read as follows: ''Paragraph (1) shall not apply to any taxpayer for any calendar month for which the taxpayer participates in any subsidized health plan maintained by any employer (other than an employer described in section 401(c)(4)) of the taxpayer or the spouse of the taxpayer.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

Mr. REID. Mr. President, we yield back our time on this amendment.

Mr. ROTH. We yield back our time on the amendment.

AMENDMENT NO. 3852

Mr. REID. Mr. President, I send a second amendment to the desk for Senator DURBIN.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. DURBIN, proposes an amendment numbered 3852.

Mr. REID. 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:

(Purpose: To amend the Internal Revenue Code of 1986 to allow small business employers a credit against income tax for employee health insurance expenses paid or incurred by the employer)

At the end, add the following:

SEC. ___. CREDIT FOR EMPLOYEE HEALTH INSURANCE EXPENSES.

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

''SEC. 45D. EMPLOYEE HEALTH INSURANCE EXPENSES.

''(a) GENERAL RULE.—For purposes of section 38, in the case of a small employer, the employee health insurance expenses credit determined under this section is an amount equal to the applicable percentage of the amount paid by the taxpayer during the taxable year for qualified employee health insurance expenses.

''(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a)—

''(1) IN GENERAL.—Except as provided in paragraph (2), the applicable percentage is equal to—

''(A) 25 percent in the case of self-only coverage, and

''(B) 35 percent in the case of family coverage (as defined in section 220(c)(5)).

''(2) FIRST YEAR COVERAGE.—

''(A) IN GENERAL.—In the case of first year coverage, paragraph (1) shall be applied by substituting '60 percent' for '25 percent' and '70 percent' for '35 percent'.

''(B) FIRST YEAR COVERAGE.—For purposes of subparagraph (A), the term 'first year coverage' means the first taxable year in which the small employer pays qualified employee health insurance expenses but only if such small employer did not provide health insurance coverage for any qualified employee during the 2 taxable years immediately preceding the taxable year.

''(c) PER EMPLOYEE DOLLAR LIMITATION.—The amount of qualified employee health insurance expenses taken into account under subsection (a) with respect to any qualified employee for any taxable year shall not exceed—

''(1) $1,800 in the case of self-only coverage, and

''(2) $4,000 in the case of family coverage (as so defined).

''(d) DEFINITIONS.—For purposes of this section—

''(1) SMALL EMPLOYER.—

''(A) IN GENERAL.—The term 'small employer' means, with respect to any calendar year, any employer if such employer employed an average of 9 or fewer employees on business days during either of the 2 preceding calendar years. For purposes of the preceding sentence, a preceding calendar year may be taken into account only if the employer was in existence throughout such year.

''(B) EMPLOYERS NOT IN EXISTENCE IN PRECEDING YEAR.—In the case of an employer which was not in existence throughout the 1st preceding calendar year, the determination under subparagraph (A) shall be based

on the average number of employees that it is reasonably expected such employer will employ on business days in the current calendar year.

''(2) QUALIFIED EMPLOYEE HEALTH INSURANCE EXPENSES.—

''(A) IN GENERAL.—The term 'qualified employee health insurance expenses' means any amount paid by an employer for health insurance coverage to the extent such amount is attributable to coverage provided to any employee while such employee is a qualified employee.

''(B) EXCEPTION FOR AMOUNTS PAID UNDER SALARY REDUCTION ARRANGEMENTS.—No amount paid or incurred for health insurance coverage pursuant to a salary reduction arrangement shall be taken into account under subparagraph (A).

''(C) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' has the meaning given such term by section 9832(b)(1).

''(3) QUALIFIED EMPLOYEE.—

''(A) IN GENERAL.—The term 'qualified employee' means, with respect to any period, an employee of an employer if the total amount of wages paid or incurred by such employer to such employee at an annual rate during the taxable year exceeds $5,000 but does not exceed $16,000.

''(B) TREATMENT OF CERTAIN EMPLOYEES.—For purposes of subparagraph (A), the term 'employee'—

''(i) shall not include an employee within the meaning of section 401(c)(1), and

''(ii) shall include a leased employee within the meaning of section 414(n).

''(C) WAGES.—The term 'wages' has the meaning given such term by section 3121(a) (determined without regard to any dollar limitation contained in such section).

''(D) INFLATION ADJUSTMENT.—

''(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2000, the $16,000 amount contained in subparagraph (A) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1999' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING.—If any increase determined under clause (i) is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100.

''(e) CERTAIN RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of section 52 shall apply.

''(f) DENIAL OF DOUBLE BENEFIT.—No deduction or credit under any other provision of this chapter shall be allowed with respect to qualified employee health insurance expenses taken into account under subsection (a).''

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

''(13) the employee health insurance expenses credit determined under section 45D.''

(c) NO CARRYBACKS.—Subsection (d) of section 39 of the Internal Revenue Code of 1986 (relating to carryback and carryforward of unused credits) is amended by adding at the end the following:

''(9) NO CARRYBACK OF SECTION 45D CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the employee health insurance expenses credit determined under section 45D may be carried back to a taxable year ending before the date of the enactment of section 45D.''

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''Sec. 45D. Employee health insurance expenses.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after the date of the enactment of this Act.

AMENDMENT NO. 3853

Mr. REID. Mr. President, I send an amendment to the desk for Senator ROBB, Senator GRAHAM, and Senator KENNEDY, and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the previous amendment is set aside. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. ROBB, for himself, Mr. GRAHAM, and Mr. KENNEDY, proposes an amendment numbered 3853.

Mr. REID. 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:

(Purpose: To make the bill effective upon enactment of a Medicare prescription drug benefit)

At the end of the bill, insert the following:

SEC. ___. EFFECTIVE DATE.

Notwithstanding any other provision of this Act or amendment made by this Act, no such provision or amendment shall take effect until legislation has been enacted that provides a voluntary, affordable outpatient Medicare prescription drug benefit to all Medicare beneficiaries that guarantees meaningful, stable coverage, including stop-loss and low-income protections.

Mr. KENNEDY. Mr. President, the need for action by Congress on prescription drug coverage for senior citizens is as clear as it is urgent. Medicare is a specific contract between the people and their government. It says, ''Work hard, pay into the trust fund during your working years, and you will have health security in your retirement years.'' But that promise is being broken today and every day, because Medicare does not cover prescription drugs.

This amendment is about priorities. The Republican marriage penalty relief proposal is little more than a fig leaf for a package of other tax breaks for the wealthy. I am all for marriage penalty relief. I am all for providing targeted tax relief to working families. But that's not what's at stake here.

This amendment simply says that marriage penalty relief shall not take effect until legislation has been enacted that provides a voluntary, affordable outpatient Medicare prescription drug benefit to all Medicare beneficiaries which that guarantees meaningful, stable coverage, including stop-loss and low-income protections.

Too many elderly Americans today must choose between food on the table and the medicine they need to stay healthy or to treat their illnesses. Too many senior citizens take half the pills their doctor prescribes, or don't even fill needed prescriptions at all—because they can't afford the high cost of prescription drugs.

Too many seniors are paying twice as much as they should for the drugs they need, because they are forced to pay full price, while almost everyone with a private insurance policy benefits from negotiated discounts. Too many seniors are ending up hospitalized—at immense cost to Medicare—because they aren't receiving the drugs they need to treat their illness. Pharmaceutical products are increasingly the source of miracle cures for a host of dread diseases, but senior citizens are being left out and left behind because Congress fails to act.

The crisis that senior citizens face today will only worsen if we refuse to act, because insurance coverage continues to go down, and drug costs continue to go up.

Twelve million senior citizens—one third of the total—have no prescription drug coverage at all. Surveys indicate that only half of all senior citizens—20 million—have any prescription drug coverage throughout the year. Insurance through employer retirement plans is plummeting. Medicare HMOs are drastically cutting back. Medigap plans are priced out of reach of most elderly Americans. The only senior citizens who have stable, reliable, affordable drug coverage are the very poor on Medicaid.

Prescription drug costs are out of control. Since 1996, costs have grown at double-digit rates every year. Last year, the increase was an unacceptable 16 percent, at a time when the increase in the CPI was only 2.7 percent. Access to affordable prescription drugs has become a crisis for many elderly Americans

In the face of this declining coverage and soaring cost, more and more senior citizens are being hurt. The vast majority of the elderly are of moderate means. They cannot possibly afford to purchase the prescription drugs they need if serious illness strikes. Fifty-seven percent of senior citizens have incomes below $15,000 a year, and 78 percent have incomes below $25,000. Only 7 percent have annual incomes in excess of $50,000. The older they are, the more likely they are to be in poor health and the more likely they are to have very limited income to meet their health needs.

Their current situation on prescription drugs is intolerable. Senior citizens and their families are asking for help and they deserve it. The Senate has an obligation to respond.

Few if any issues facing this Congress are more important than giving the nation's senior citizens the health security they have been promised. The promise of Medicare will not be fulfilled until Medicare protects senior

citizens against the high cost of prescription drugs, in the same way that it protects them against the high cost of hospital and doctor care.

President Clinton called for prescription drug coverage under Medicare in his 1999 State of the Union Message more than 18 months ago but the Senate still has failed to act. The legislation passed by the Republican majority in the House can't pass the truth in advertising test.

It is not a true Medicare benefit—and it won't give senior citizens the stable, affordable, adequate prescription drug benefit they deserve.

The Senate Finance Committee is discussing a new prescription drug proposal but it requires senior citizens to give up their current benefits and accept greater out-of-pocket costs that they cannot afford as the price for gaining prescription drug coverage.

The amendment we are proposing is a clear statement of priorities. It says that prescription drug coverage for the Nation's senior citizens is as important as new tax breaks.

Let's get our priorities straight. Let's meet this pressing need. Let's give senior citizens a real prescription drug benefit under Medicare. Let's put the Senate on record in support of mending Medicare's broken promise, and telling America's senior citizens that they are as important as working families and others who would benefit from this tax bill.

Mr. REID. I ask the amendment be set aside.

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

AMENDMENT NO. 3854

(Purpose: To ensure that children enrolled in the Medicaid program at highest risk for lead poisoning are identified and treated)

Mr. REID. Mr. President, I send an amendment to the desk on behalf of Senator TORRICELLI.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. TORRICELLI, for himself and Mr. REED, proposes an amendment numbered 3854.

Mr. REID. 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.'')

Mr. REID. Mr. President, I rise to introduce an amendment on behalf of Senators REED of Rhode Island and TORRICELLI that would enhance Medicaid coverage for childhood lead poisoning screening.

The Reed-Torricelli amendment is concerned about lead testing because, despite federal screening requirements for kids enrolled in Medicaid, many children are not getting tested.

Lead poisoning attacks a child's nervous system and can cause seizures, brain damage, comas, and even death.

The threat of lead poisoning is particularly great for those least able to confront it—our nation's poor children.

This is why in 1992 Congress required states to test every Medicaid recipient under age two for lead.

These children are 5 times more likely to have high blood levels.

Disturbingly, however, this federal law is being ignored.

A recent GAO study found that two-thirds of children on Medicaid have never been screened for lead.

For whatever reason, insufficient outreach, lax government oversight or parental ignorance, too many kids are not getting screened.

Therefore, the Reed-Torricelli amendment seeks to improve the lead screening rates for children enrolled in Medicaid.

(1) Guarantee's that Medicaid contracts explicitly require health care providers to adhere to federal rules for screening and treatment.

(2) Requires states to report to the federal government the number of children on Medicaid being tested.

(3) Expands Medicaid coverage to include treatment for lead poisoning and for environmental investigations to determine its sources.

Mr. REID. I ask unanimous consent the amendment be set aside.

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

AMENDMENT NO. 3855

Mr. REID. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID] on behalf of Mr. TORRICELLI, proposes an amendment numbered 3855.

Mr. REID. 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:

(Purpose: To amend the Social Security Act to waive the 24-month waiting period for medicare coverage of individuals disabled with amyotrophic lateral sclerosis (ALS)

At the end of the bill, add the following:

SEC. 7. WAIVER OF 24-MONTH WAITING PERIOD FOR MEDICARE COVERAGE OF INDIVIDUALS DISABLED WITH AMYOTROPHIC LATERAL SCLEROSIS (ALS).

(a) IN GENERAL.—Section 226 of the Social Security Act (42 U.S.C. 426) is amended—

(1) by redesignating subsection (h) as subsection (j) and by moving such subsection to the end of the section; and

(2) by inserting after subsection (g) the following:

''(h) For purposes of applying this section in the case of an individual medically determined to have amyotrophic lateral sclerosis (ALS), the following special rules apply:

''(1) Subsection (b) shall be applied as if there were no requirement for any entitlement to benefits, or status, for a period longer than 1 month.

''(2) The entitlement under such subsection shall begin with the first month (rather than twenty-fifth month) of entitlement or status.

''(3) Subsection (f) shall not be applied.''.

(b) CONFORMING AMENDMENT.—Section 1837 of such Act (42 U.S.C. 1395p) is amended by adding at the end the following:

''(j) In applying this section in the case of an individual who is entitled to benefits under part A pursuant to the operation of section 226(h), the following special rules apply:

''(1) The initial enrollment period under subsection (d) shall begin on the first day of the first month in which the individual satisfies the requirement of section 1836(1).

''(2) In applying subsection (g)(1), the initial enrollment period shall begin on the first day of the first month of entitlement to disability insurance benefits referred to in such subsection.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits for months beginning after the date of the enactment of this Act.

Mr. REID. Mr. President, I rise to introduce an amendment on behalf of Senator TORRICELLI that strives to improve the lives of patients with ALS, better known as the disease that struck down the famed Yankee Lou Gehrig.

First diagnosed over 130 years ago, ALS is a fatal neurological disorder that usually strikes individuals over 50 years old. Each year, 5,000 new cases are diagnosed; an estimated 300,000 Americans alive today will die of ALS. Life expectancy is only 3 to 5 years and the financial costs to families can be up to $200,000 a year.

Yet despite the rapid onset of symptoms and the extremely short life-expectancy, patients with ALS must endure a 24-month waiting period before receiving Medicare services.

Senator TORRICELLI's amendment will eliminate the 24-month waiting period so that patients will no longer need to wait until the final months of their illness to receive the care they need upon diagnosis.

This proposal is based on the legislation introduced by Senator TORRICELLI in 1998 and has achieved the bi-partisan support of 27 co-sponsors.

Mr. REID. I ask unanimous consent the amendment be set aside.

AMENDMENT NO. 3856

Mr. REID. Mr. President, I send an amendment to the desk on behalf of Senator TORRICELLI.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. TORRICELLI, proposes an amendment numbered 3856.

Mr. REID. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to lower the adjusted gross income threshold for deductible disaster casualty losses to 5 percent, to make such deduction an above-the-line deduction, to allow an election to take such deduction for the preceding or succeeding year, and to eliminate the marriage penalty for individuals suffering casualty losses)

At the end, add the following:

SEC. ___. MODIFICATIONS TO DISASTER CASUALTY LOSS DEDUCTION.

(a) LOWER ADJUSTED GROSS INCOME THRESHOLD.—Paragraph (2) of section 165(h) of the Internal Revenue Code of 1986 (relating to treatment of casualty gains and losses) is amended—

(1) by striking subparagraph (A) and inserting the following:

''(A) IN GENERAL.—If the personal casualty losses for any taxable year exceed the personal casualty gains for such taxable year, such losses shall be allowed for the taxable year only to the extent of the sum of—

''(i) the amount of the personal casualty gains for the taxable year, plus

''(ii) so much of such excess attributable to losses described in subsection (i) as exceeds 5 percent of the adjusted gross income of the individual (determined without regard to any deduction allowable under subsection (c)(3))'', plus

''(iii) so much of such excess attributable to losses not described in subsection (i) as exceeds 10 percent of the adjusted gross income of the individual.

For purposes of this subparagraph, personal casualty losses attributable to losses not described in subsection (i) shall be considered before such losses attributable to losses described in subsection (i).'', and

(2) by striking ''10 PERCENT'' in the heading and inserting ''PERCENTAGE''.

(b) ABOVE-THE-LINE DEDUCTION.—Section 62(a) of the Internal Revenue Code of 1986 (defining adjusted gross income) is amended by inserting after paragraph (17) the following:

''(18) CERTAIN DISASTER LOSSES.—The deduction allowed by section 165(c)(3) to the extent attributable to losses described in section 165(i).''

(c) ELECTION TO TAKE DISASTER LOSS DEDUCTION FOR PRECEDING OR SUCCEEDING 2 YEARS.—Paragraph (1) of section 165(i) of the Internal Revenue Code of 1986 (relating to disaster losses) is amended—

(1) by inserting ''or succeeding'' after ''preceding'', and

(2) by inserting ''OR SUCCEEDING'' after ''PRECEDING'' in the heading.

(d) ELIMINATION OF MARRIAGE PENALTY FOR INDIVIDUALS SUFFERING CASUALTY LOSSES.—Subparagraph (B) of section 165(h)(4) of the Internal Revenue Code of 1986 (relating to special rules) is amended to read as follows:

''(B) JOINT RETURNS.—For purposes of this subsection—

''(i) IN GENERAL.—Except as provided in clause (ii), a husband and wife making a joint return for the taxable year shall be treated as 1 individual.

''(ii) ELECTION.—A husband and wife may elect to have each be treated as a single individual for purposes of applying this section. If an election is made under this clause, the adjusted gross income of each individual shall be determined on the basis of the items of income and deduction properly allocable to the individual, as determined under rules prescribed by the Secretary.''

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

Mr. REID. Mr. President, on behalf of Senator TORRICELLI, I would like to offer the following amendment which seeks to ease the tax burden on those Americans who have suffered or will suffer from natural disasters.

This amendment agrees with the notion that rebuilding a community in the wake of a natural disaster is an enormous task. The Senator's amendment builds on this idea by stating that a heavy income tax burden should not be one of those obstacles to recovery.

Current tax law stipulates that taxpayers can only deduct those losses that exceed 10 percent of their income. Furthermore, the requirements only allow those taxpayers who itemize their returns to deduct their losses.

Given that only a quarter of all taxpayers itemize their returns, this means that these restrictive provisions disqualify many Americans who could benefit from this deduction. This legislation removes these barriers.

First, this amendment would lower the income threshold for disaster loss deductions from 10 percent to 5 percent.

Secondly, this provision would make these deductions ''above the line'' enabling the majority of non-itemizing tax payers to claim this deduction.

This amendment would also eliminate the marriage penalty a couple incurs when they deduct their uninsured disaster losses as joint filers by allowing married couples to claim their disaster losses as single filers in order to fully deduct their uninsured disaster losses.

Finally, it would allow taxpayers to defer their deduction for a period of up to two years or claim losses that have occurred two years previously.

Senator TORRICELLI'S amendment believes that those who rebuild their lives in the wake of a disaster should not have to overcome a heavy tax burden in order to recover. This provision will help ensure that this is not the case.

Mr. REID. Mr. President, I ask unanimous consent that the amendment be set aside.

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

AMENDMENT NO. 3857

Mr. REID. Mr. President, I send an amendment to the desk on behalf of Senator TORRICELLI.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. TORRICELLI, proposes an amendment numbered 3857.

Mr. REID. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to eliminate the marriage penalty for individuals suffering casualty losses)

At the end, add the following:

SEC. ___. ELIMINATION OF MARRIAGE PENALTY FOR INDIVIDUALS SUFFERING CASUALTY LOSSES.

(a) IN GENERAL.—Subparagraph (B) of section 165(h)(4) of the Internal Revenue Code of 1986 (relating to special rules) is amended to read as follows:

''(B) JOINT RETURNS.—For purposes of this subsection—

''(i) IN GENERAL.—Except as provided in clause (ii), a husband and wife making a joint return for the taxable year shall be treated as 1 individual.

''(ii) ELECTION.—A husband and wife may elect to have each be treated as a single individual for purposes of applying this section. If an election is made under this clause, the adjusted gross income of each individual shall be determined on the basis of the items of income and deduction properly allocable to the individual, as determined under rules prescribed by the Secretary.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to losses sustained in taxable years beginning after December 31, 1998.

Mr. REID. Mr. President, on behalf of Senator TORRICELLI, I would like to offer an amendment which seeks to correct the current marriage penalty on those couples who deduct their disaster losses.

Whenever a married couple with joint filing status seek to deduct their losses incurred from a natural disaster, they find that their deduction is significantly less than it would be if they claimed their losses as single filers.

This amendment seeks to rectify this inequity, by allowing joint filers to claim single filing status in order to deduct their disaster losses, so that they can enjoy the deduction that they are entitled to.

Mr. REID. Mr. President, I ask unanimous consent that the amendment be set aside.

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

AMENDMENT NO. 3858

(Purpose: To amend the Internal Revenue Code of 1986 to allow a credit to holders of qualified bonds issued by Amtrak, and for other purposes)

Mr. REID. Mr. President, I send an amendment to the desk on behalf of Senator FRANK LAUTENBERG.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. LAUTENBERG, proposes an amendment numbered 3858.

Mr. REID. Mr. President, I ask unanimous consent that the 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.'')

Mr. REID. Mr. President, I ask unanimous consent that the amendment be set aside.

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

AMENDMENT NO. 3859

Mr. REID. Mr. President, I send an amendment to the desk on behalf of Senator MAX CLELAND.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. CLELAND, proposes an amendment numbered 3859.

Mr. REID. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to exclude United States savings bond income from gross income if used to pay long-term care expenses)

At the end, add the following:

SEC. ___. EXCLUSION OF UNITED STATES SAVINGS BOND INCOME FROM GROSS INCOME IF USED TO PAY LONG-TERM CARE EXPENSES.

(a) IN GENERAL.—Subsection (a) of section 135 of the Internal Revenue Code of 1986 (relating to income from United States savings bonds used to pay higher education tuition and fees) is amended to read as follows:

''(a) EXCLUSION.—

''(1) GENERAL RULE.—In the case of an individual who pays qualified expenses during the taxable year, no amount shall be includible in gross income by reason of the redemption during such year of any qualified United States savings bond.

''(2) QUALIFIED EXPENSES.—For purposes of this section, the term 'qualified expenses' means—

''(A) qualified higher education expenses, and

''(B) eligible long-term care expenses.''.

(b) LIMITATION WHERE REDEMPTION PROCEEDS EXCEED QUALIFIED EXPENSES.—Section 135(b)(1) of the Internal Revenue Code of 1986 (relating to limitation where redemption proceeds exceed higher education expenses) is amended—

(1) by striking ''higher education'' in subparagraph (A)(ii), and

(2) by striking ''HIGHER EDUCATION'' in the heading thereof.

(c) ELIGIBLE LONG-TERM CARE EXPENSES.—Section 135(c) of the Internal Revenue Code of 1986 (relating to definitions) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

''(4) ELIGIBLE LONG-TERM CARE EXPENSES.—The term 'eligible long-term care expenses' means qualified long-term care expenses (as defined in section 7702B(c)) and eligible long-term care premiums (as defined in section 213(d)(10)) of—

''(A) the taxpayer,

''(B) the taxpayer's spouse, or

''(C) any dependent of the taxpayer with respect to whom the taxpayer is allowed a deduction under section 151.''.

(d) ADJUSTMENTS.—Section 135(d) of the Internal Revenue Code of 1986 (relating to special rules) is amended by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively, and by inserting after paragraph (2) the following new paragraph:

''(3) ELIGIBLE LONG-TERM CARE EXPENSE ADJUSTMENTS.—The amount of eligible long-term care expenses otherwise taken into account under subsection (a) with respect to an individual shall be reduced (before the application of subsection (b)) by the sum of—

''(A) any amount paid for qualified long-term care services (as defined in section 7702B(c)) provided to such individual and described in section 213(d)(11), plus

''(B) any amount received by the taxpayer or the taxpayer's spouse or dependents for the payment of eligible long-term care expenses which is excludable from gross income.''.

(e) COORDINATION WITH DEDUCTIONS.—

(1) Section 213 of the Internal Revenue Code of 1986 (relating to medical, dental, etc., expenses) is amended by adding at the end the following new subsection:

''(f) COORDINATION WITH SAVINGS BOND INCOME USED FOR EXPENSES.—Any expense taken into account in determining the exclusion under section 135 shall not be treated as an expense paid for medical care.''.

(2) Section 162(l) of such Code (relating to special rules for health insurance costs of self-employed individuals) is amended by adding at the end the following new paragraph:

''(6) COORDINATION WITH SAVINGS BOND INCOME USED FOR EXPENSES.—Any expense taken into account in determining the exclusion under section 135 shall not be treated as an expense paid for medical care.''.

(f) CLERICAL AMENDMENTS.—

(1) The heading for section 135 of the Internal Revenue Code of 1986 is amended by inserting ''**and long-term care expenses**'' after ''**fees**''.

(2) The item relating to section 135 in the table of sections for part III of subchapter B of chapter 1 of such Code is amended by inserting ''and long-term care expenses'' after ''fees''.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

Mr. CLELAND. Mr. President, the Cleland Savings Bond Tax-Exemption for Long-Term Care Services Amendment would exclude United States savings bond income from being taxed if used to pay for long-term health care expenses. This bill will assist individuals struggling to accommodate costs associated with many chronic medical conditions and the aging process. A staggering 5.8 million Americans are afflicted with the financial burdens of long-term care.

My bill proposes a tax credit for individuals who are limited in daily activities or have a comparable cognitive impairment. Providing a tax credit for families paying for long-term health care will help alleviate the financial burdens for one of the fastest growing health care expenses. Federal and state spending for nursing home care and home care continues to skyrocket. Current estimates forecast that in the next 30 years, half of all women and a third of all men in the United States will spend a portion of their life in a nursing home at cost of $40,000 to $90,000 per year per person.

My legislation will assist families by: providing a tax credit for savings bonds used to pay for long-term care, and allowing families to use their savings bond assets to face the dual challenge of paying for long-term care services and higher education expenses.

I urge you to support proposal to provide tax relief to Americans burdened by the financial constraints on providing long-term care and higher education expenses.

Mr. REID. Mr. President, I ask unanimous consent that the amendment be set aside.

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

AMENDMENT NO. 3860

Mr. REID. Mr. President, I send an amendment to the desk on behalf of Senator MAX CLELAND.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. CLELAND, proposes an amendment numbered 3860.

Mr. REID. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to expand the enhanced deduction for corporate donations of computer technology to public libraries and community centers)

At the end, add the following:

SEC. ___. ENHANCED DEDUCTION FOR CORPORATE DONATIONS OF COMPUTER TECHNOLOGY TO PUBLIC LIBRARIES AND COMMUNITY CENTERS.

(a) EXPANSION OF COMPUTER TECHNOLOGY DONATIONS TO PUBLIC LIBRARIES AND COMMUNITY CENTERS.—

(1) IN GENERAL.—Paragraph (6) of section 170(e) of the Internal Revenue Code of 1986 (relating to special rule for contributions of computer technology and equipment for elementary or secondary school purposes) is amended by striking ''qualified elementary or secondary educational contribution'' each place it occurs in the headings and text and inserting ''qualified computer contribution''.

(2) EXPANSION OF ELIGIBLE DONEES.—Subclause (II) of section 170(e)(6)(B)(i) of such Code (relating to qualified elementary or secondary educational contribution) is amended by striking ''or'' at the end of subclause (I) and by inserting after subclause (II) the following new subclauses:

''(III) a public library (within the meaning of section 213(2)(A) of the Library Services and Technology Act (20 U.S.C. 9122(2)(A)), as in effect on the date of the enactment of the Community Technology Assistance Act, established and maintained by an entity described in subsection (c)(1), or

''(IV) a nonprofit or governmental community center, including any center within which an after-school or employment training program is operated,''.

(b) CONFORMING AMENDMENTS.—

(1) Section 170(e)(6)((B)(iv) of the Internal Revenue Code of 1986 is amended by striking ''in any grades K–12''.

(2) The heading of paragraph (6) of section 170(e) of such Code is amended by striking ''ELEMENTARY OR SECONDARY SCHOOL PURPOSES'' and inserting ''EDUCATIONAL PURPOSES''.

(c) EXTENSION OF DEDUCTION.—Section 170(e)(6)(F) of the Internal Revenue Code of 1986 (relating to termination) is amended by striking ''December 31, 2000'' and inserting ''December 31, 2005''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after December 31, 2000.

Mr. REID. Mr. President, I ask unanimous consent that the amendment be set aside.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 3861

Mr. ROTH. Mr. President, I send an amendment to the desk on behalf of Senator GRAMS.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH], for Mr. GRAMS, proposes an amendment numbered 3861.

Mr. ROTH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To repeal the increase in tax on Social Security benefits)

At the end of the bill, add the following:

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. REPEAL OF INCREASE IN TAX ON SOCIAL SECURITY BENEFITS.

(a) REPEAL OF INCREASE IN TAX ON SOCIAL SECURITY BENEFITS.—

(1) IN GENERAL.—Paragraph (2) of section 86(a) (relating to social security and tier 1 railroad retirement benefits) is amended by adding at the end the following new flush sentence:

''This paragraph shall not apply to any taxable year beginning after December 31, 2000.''

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after December 31, 2000.

(b) REVENUE OFFSET.—The Secretary of the Treasury shall transfer, for each fiscal year, from the general fund in the Treasury to the Federal Hospital Insurance Trust Fund established under section 1817 of the Social Security Act (42 U.S.C. 1395i) an amount equal to the decrease in revenues to the Treasury for such fiscal year by reason of the amendment made by this section.

Mr. REID. Mr. President, I say to my friend from Delaware, we want to second degree this amendment. We cannot do that until all time is yielded back.

Mr. ROTH. I yield back the time.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. REID. Mr. President, I ask unanimous consent that we move on to other business and subsequently Senator ROTH and I will make a decision as to whether or not a second-degree amendment will be offered on our behalf and whether or not he wants to second degree our amendment. We will decide that at a subsequent time so we can complete our work.

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

AMENDMENT NO. 3862

Mr. ROTH. Mr. President, on behalf of Senator ABRAHAM, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH], for Mr. ABRAHAM, proposes an amendment numbered 3862.

Mr. ROTH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To express the sense of the Senate regarding the need to repeal the death tax and improve coverage of prescription drugs under the medicare program this year)

At the end of the Act, add the following:

TITLE VI—MISCELLANEOUS

SEC. 601. SENSE OF THE SENATE REGARDING COVERAGE OF PRESCRIPTION DRUGS UNDER THE MEDICARE PROGRAM.

(a) FINDINGS.—The Senate makes the following findings:

(1) Projected on-budget surpluses for the next 10 years total $1,900,000,000,000, according to the President's mid-session review.

(2) Eliminating the death tax would reduce revenues by $104,000,000,000 over 10 years, leaving on-budget surpluses of $1,800,000,000,000.

(3) The medicare program established under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) faces the dual problem of inadequate coverage of prescription drugs and rapid escalation of program costs with the retirement of the baby boom generation.

(4) The concurrent resolution on the budget for fiscal year 2001 provides $40,000,000,000 for prescription drug coverage in the context of a reform plan that improves the long-term outlook for the medicare program.

(5) The Committee on Finance of the Senate currently is working in a bipartisan manner on reporting legislation that will reform the medicare program and provide a prescription drug benefit.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) on-budget surpluses are sufficient to both repeal the death tax and improve coverage of prescription drugs under the medicare program and Congress should do both this year; and

(2) the Senate should pass adequately funded legislation that can effectively—

(A) expand access to outpatient prescription drugs;

(B) modernize the medicare benefit package;

(C) make structural improvements to improve the long term solvency of the medicare program;

(D) reduce medicare beneficiaries' out-of-pocket prescription drug costs, placing the highest priority on helping the elderly with the greatest need; and

(E) give the elderly access to the same discounted rates on prescription drugs as those available to Americans enrolled in private insurance plans.

Mr. ROTH. I yield back the Republican time.

Mr. REID. I yield back the time for the minority.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. MOYNIHAN. Mr. President, I ask unanimous consent to set aside the amendment that is now pending.

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

AMENDMENT NO. 3863

Mr. MOYNIHAN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] proposes an amendment numbered 3863.

Mr. MOYNIHAN. I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To provide a complete substitute)

Strike all after the enacting clause and insert the following:

SECTION 1. COMBINED RETURN TO WHICH UNMARRIED RATES APPLY.

(a) IN GENERAL.—Subpart B of part II of subchapter A of chapter 61 of the Internal Revenue Code of 1986 (relating to income tax returns) is amended by inserting after section 6013 the following new section:

''SEC. 6013A. COMBINED RETURN WITH SEPARATE RATES.

''(a) GENERAL RULE.—A husband and wife may make a combined return of income taxes under subtitle A under which—

''(1) a separate taxable income is determined for each spouse by applying the rules provided in this section, and

''(2) the tax imposed by section 1 is the aggregate amount resulting from applying the separate rates set forth in section 1(c) to each such taxable income.

''(b) TREATMENT OF INCOME.—For purposes of this section—

''(1) earned income (within the meaning of section 911(d)), and any income received as a pension or annuity which arises from an employer-employee relationship, shall be treated as the income of the spouse who rendered the services,

''(2) income from property shall be divided between the spouses in accordance with their respective ownership rights in such property (equally in the case of property held jointly by the spouses), and

''(3) any exclusion from income shall be allowable to the spouse with respect to whom the income would be otherwise includible.

''(c) TREATMENT OF DEDUCTIONS.—For purposes of this section—

''(1) except as otherwise provided in this subsection, the deductions described in section 62(a) shall be allowed to the spouse treated as having the income to which such deductions relate,

''(2) the deductions allowable by section 151(b) (relating to personal exemptions for taxpayer and spouse) shall be determined by allocating 1 personal exemption to each spouse,

''(3) section 63 shall be applied as if such spouses were not married, except that the election whether or not to itemize deductions shall be made jointly by both spouses and apply to each, and

''(4) each spouse's share of all other deductions shall be determined by multiplying the aggregate amount thereof by the fraction—

''(A) the numerator of which is such spouse's gross income, and

''(B) the denominator of which is the combined gross incomes of the 2 spouses.

Any fraction determined under paragraph (4) shall be rounded to the nearest percentage point.

''(d) TREATMENT OF CREDITS.—For purposes of this section—

''(1) IN GENERAL.—Except as provided in paragraph (2), each spouse's share of credits allowed to both spouses shall be determined by multiplying the aggregate amount of the credits by the fraction determined under subsection (c)(4).

''(2) EARNED INCOME CREDIT.—The earned income credit under section 32 shall be determined as if each spouse were a separate taxpayer, except that—

''(A) the earned income and the modified adjusted gross income of each spouse shall be determined under the rules of subsections (b), (c), and (e), and

''(B) qualifying children shall be allocated between spouses proportionate to the earned income of each spouse (rounded to the nearest whole number).

''(e) SPECIAL RULES REGARDING INCOME LIMITATIONS.—

''(1) EXCLUSIONS AND DEDUCTIONS.—For purposes of making a determination under subsection (b) or (c), any eligibility limitation with respect to each spouse shall be determined by taking into account the limitation applicable to a single individual.

''(2) CREDITS.—For purposes of making a determination under subsection (d)(1), in no event shall an eligibility limitation for any credit allowable to both spouses be less than twice such limitation applicable to a single individual.

''(f) SPECIAL RULES FOR ALTERNATIVE MINIMUM TAX.—If a husband and wife elect the application of this section—

''(1) the tax imposed by section 55 shall be computed separately for each spouse, and

''(2) for purposes of applying section 55—

''(A) the rules under this section for allocating items of income, deduction, and credit shall apply, and

''(B) the exemption amount for each spouse shall be the amount determined under section 55(d)(1)(B).

''(g) TREATMENT AS JOINT RETURN.—Except as otherwise provided in this section or in the regulations prescribed hereunder, for purposes of this title (other than sections 1 and 63(c)) a combined return under this section shall be treated as a joint return.

''(h) LIMITATIONS.—

''(1) PHASE-IN OF BENEFIT.—

''(A) IN GENERAL.—In the case of any taxable year beginning before January 1, 2004, the tax imposed by section 1 or 55 shall in no event be less than the sum of—

''(i) the tax determined after the application of this section, plus

''(ii) the applicable percentage of the excess of—

''(I) the tax determined without the application of this section, over

''(II) the amount determined under clause (i).

''(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

''For taxable years beginning in:	The applicable percentage is:
2002	50
2003	10.

''(2) LIMITATION OF BENEFIT BASED ON COMBINED ADJUSTED GROSS INCOME.—With respect to spouses electing the treatment of this section for any taxable year, the tax under section 1 or 55 shall be increased by an amount which bears the same ratio to the excess of the tax determined without the application of this section over the tax determined after the application of this section as the ratio (but not over 100 percent) of the excess of the combined adjusted gross income of the spouses over $100,000 bears to $50,000.

''(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out this section.''.

(b) UNMARRIED RATE MADE APPLICABLE.—So much of subsection (c) of section 1 of the Internal Revenue Code of 1986 as precedes the table is amended to read as follows:

''(c) SEPARATE OR UNMARRIED RETURN RATE.—There is hereby imposed on the taxable income of every individual (other than a married individual (as defined in section 7703) filing a return which is not a combined return under section 6013A, a surviving spouse as defined in section 2(a), or a head of household as defined in section 2(b)) a tax determined in accordance with the following table:''.

(c) PENALTY FOR SUBSTANTIAL UNDERSTATEMENT OF INCOME FROM PROPERTY.—Section 6662 of the Internal Revenue Code of 1986 (relating to imposition of accuracy-related penalty) is amended—

(1) by adding at the end of subsection (b) the following:

''(6) Any substantial understatement of income from property under section 6013A.'', and

(2) by adding at the end the following new subsection:

''(i) SUBSTANTIAL UNDERSTATEMENT OF INCOME FROM PROPERTY UNDER SECTION 6013A.—For purposes of this section, there is a substantial understatement of income from property under section 6013A if—

''(1) the spouses electing the treatment of such section for any taxable year transfer property from 1 spouse to the other spouse in such year,

''(2) such transfer results in reduced tax liability under such section, and

''(3) the significant purpose of such transfer is the avoidance or evasion of Federal income tax.''.

(d) PROTECTION OF SOCIAL SECURITY AND MEDICARE TRUST FUNDS.—

(1) IN GENERAL.—Nothing in this section shall be construed to alter or amend the Social Security Act (or any regulation promulgated under that Act).

(2) TRANSFERS.—

(A) ESTIMATE OF SECRETARY.—The Secretary of the Treasury shall annually estimate the impact that the enactment of this section has on the income and balances of the trust funds established under sections 201 and 1817 of the Social Security Act (42 U.S.C. 401 and 1395i).

(B) TRANSFER OF FUNDS.—If, under subparagraph (A), the Secretary of the Treasury estimates that the enactment of this section has a negative impact on the income and balances of such trust funds, the Secretary shall transfer, not less frequently than quarterly, from the general revenues of the Federal Government an amount sufficient so as to ensure that the income and balances of such trust funds are not reduced as a result of the enactment of this section.

(e) CLERICAL AMENDMENT.—The table of sections for subpart B of part II of subchapter A of chapter 61 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 6013 the following:

''Sec. 6013A. Combined return with separate rates.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(g) SUNSET PROVISION.—The amendments made by this Act shall not apply to any taxable year beginning after December 31, 2004.

Mr. MOYNIHAN. Mr. President, the proposal we make is somewhat without precedent as a tax measure. It can be described, sir, in one sentence: It says, with regard to the marriage penalty, married couples are free to file jointly or individually. They choose. The present regime, with persons having the sense of being treated unfairly, I hope disappears in this regard. The one thing about the Tax Code—whatever its size—it must not be seen to be unfair. There are people—and they are many—who think this present arrangement is unfair. We say: You choose; it is your choice.

Mr. President, for the second time in three months, the Senate is considering a marriage penalty relief bill that only partly addresses the marriage penalty. While Democrats strongly support marriage penalty relief, we cannot support the bill before us today because it fails to eliminate the marriage penalty. I will soon explain the specific objections to the GOP bill and the benefits and simplicity of the Democratic substitute amendment. First, I would like to frame the debate by explaining what a marriage penalty tax is and the history of the tax.

The ''marriage penalty'' is the additional tax paid by a husband and wife over and above what the couple would have paid in the aggregate if they were not married. Marriage penalties are more likely to occur where both spouses have roughly similar income, i.e., a division between 50/50 and 70/30. On the other hand, a marriage bonus can occur where one spouse receives substantially more income than the other, i.e., a disparity in earnings of 70/30 or greater, where the spouses together pay less tax in the aggregate than they would if not married.

For years, we have struggled to achieve the right balance in the taxation of single and married taxpayers. In 1948, to maintain parity between married couples in community property and separate property states, Congress created the joint tax return with rate brackets double the width of the rate brackets for single filers. Thus, a married worker with a non-earning spouse had a much lower tax liability than an equal-income single person. Not surprisingly, single taxpayers viewed this change as creating a singles penalty rather than a bonus for married couples, an effect magnified by the high marginal tax rates paid by upper-income taxpayers. By 1969, a single taxpayer with the same income as a married couple could expect to pay as much as 40 percent more in income tax. To address this inequity, a special rate structure was introduced for single taxpayers in the Tax Reform Act of 1969. The 1969 Act limited the tax liability of single taxpayers to no more than 20 percent above that of married couples with the same taxable income.

Now married couples have come to view the current structure as penalizing them, and we are therefore on the verge of changing the tax code once again in the never ending attempt to find balance.

Why do we repeatedly revisit this issue? Because of the inherent conflict in three fundamental tax policies: (a) the use of progressive tax rates, under which persons with higher incomes pay higher marginal tax rates, (b) neutrality among married taxpayers, where all married couples with the

same income face identical tax burdens, and (c) neutrality between marriage and remaining single, where the tax burden does not change due to marital status. Only two of the three conditions, in any combination, can be satisfied.

Which leads me to my objections to the bill before us today. First, many Democratic members believe the best thing we can do with on-budget surpluses is to pay down the federal debt. I think all Democratic members agree that if we are going to have tax cuts, however, we should consider them in a comprehensive fashion that allows us to balance priorities. Instead, this Congress is considering tax cuts in piecemeal fashion. Although the magnitude of any one individual proposal may not threaten our expected 10-year budget surplus, Congress has already passed—in one chamber or the other—$551 billion in tax cuts, including the marriage tax proposal now on the floor when considered on a normal 10 year basis. The 10-year price tag on these cuts, however, is not exhaustive. The cuts come with an additional cost. For every dollar that goes toward cutting taxes rather than paying down debt, there is a corresponding interest cost. For example, the interest cost associated with the $551 billion in tax cuts already passed is $127 billion. The country wants a responsible Congress that allocates the surplus to provide sufficient funds for reducing the national debt, bolstering Medicare and Social Security, and investing in other priority programs such as a prescription drug benefit.

Second, while several of the marriage penalty bill's provisions have merit as tax policy matters, the bill is not targeted at eliminating the marriage penalty. Instead, the standard deduction and bracket expansion proposals would increase the marriage bonus for millions of couples. The Department of Treasury estimates that only about 40 percent of the tax reduction would go to couples currently experiencing a marriage penalty.

I point out that a marriage bonus is equivalent to a singles penalty. The GOP bill increases the singles penalty because it increases the marriage bonus for people already receiving a bonus. Marriage bonuses cause undue and unfair burdens on singles, including widows and widowers

Third, the GOP bill does not comprehensively address the marriage penalty. Of the 65 known provisions in the Internal Revenue Code that have a marriage penalty effect, the Committee-passed bill eliminates only one and partially addresses only two more. If the committee bill is enacted, we will have made little progress in eliminating discrimination in the tax code based on marital status.

Finally, because the GOP bill does not completely exempt its marriage penalty relief benefits from the alternative minimum tax calculation, some 5 million taxpayers would immediately lose those benefits as a consequence of becoming newly subject to the AMT.

In March of this year, Democratic members of the Finance Committee proposed an alternative marriage penalty relief bill which was more comprehensive, more targeted, and more generous to those actually experiencing a marriage penalty than the majority proposal. However, Committee Republicans rejected it, opting for a flawed proposal identical to the one they have passed. In the June 28, 2000 markup of the Budget Reconciliation Bill, Finance Committee Democrats offered another proposal that varies slightly from the March proposal. The new version caps the benefit with a phase out that begins at adjusted gross income of $100,000 and phases out completely at AGI of $150,000.

The Democrats' marriage penalty relief proposal is a comprehensive, targeted, and fiscally responsible approach. Democrats believe, first of all, that if we are going to address the marriage penalty, we must do it comprehensively. The Democratic alternative would give married couples the option of filing as single individuals or as a couple. When fully phased in by 2004, this approach would eliminate for eligible couples all 65 marriage penalty provisions in the tax code by allowing them to choose whichever filing status is more beneficial. Separate filing would address all aspects of the marriage penalty, including penalties associated with such divergent matters as the taxation of social security benefits, education tax incentives, and retirement savings. Moreover, this proposal would eliminate the penalty inherent in the earned income tax credit—the most severe marriage penalty in the tax code—which creates a substantial disincentive to marry for EITC beneficiaries. Finally, the benefits of this approach would also be available under the AMT.

Perhaps the most striking difference between this approach and the Republican plan is the targeting of benefits. The Democratic alternative would dedicate 100 percent of its benefits to fixing the marriage penalty problem and would not spend resources on expanding marriage bonuses.

Permitting married couples to file as if they were two single individuals is not a new concept. Nine states and the District of Columbia allow married couples to pay taxes on their separate incomes as if they were single. And in 1994, 19 of the 27 OECD countries provided one rate schedule whether taxpayers were married or single. Countries such as Canada, Australia and the United Kingdom treat each individual as a taxpaying unit. Thus, in those countries marriage has little effect on the couple's tax liability.

Optional separate filing is the correct approach. We urge the Senate to adopt the Democratic alternative.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, before the Senator leaves the floor, I want to be able to say some things publicly that I have said to him privately. My stay here in the Senate has been a great experience, but that experience has been heightened every day because of Senator MOYNIHAN. I loved when I was going to school, but being around Senator MOYNIHAN is even better because it is like going to school—and you don't have to take the tests.

I say to the Senator from New York, the State of New York and our country is so well-served by the wisdom and integrity and the brilliance that he has. I know he is going to be here for another 6 months, but the Senate will never be the same without DANIEL PATRICK MOYNIHAN. I and the country and the State of New York will miss him terribly.

Mr. MOYNIHAN. I thank my friend. What a great way to go off for the weekend.

I thank my revered chairman.

Mr. ROTH. Mr. President, I would just like to echo the kind remarks made about Senator MOYNIHAN. There is no man who better serves his State. There is no Senator who provides greater insight and brilliance. I am honored to be associated with him.

Mr. MOYNIHAN. I do thank you, sir.

I thank the Chair. I think it is best to make my departure quickly.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. This alternative amendment would allow married couples the option to file as two singles on their joint return. It is the same amendment that Senator MOYNIHAN offered in the Finance Committee a few weeks ago. It is a concept I have endorsed in the past, primarily because it has the capability to deliver complete marriage penalty relief to all taxpayers, both at the low end and at the high end. It was a principled approach to ending the marriage penalty in our Tax Code.

But the amendment the Senator offers today cuts away from that principled approach. Today's amendment imposes arbitrary income limits on the marriage penalty relief and begins to phase out the benefits at $100,000 of income, and then completely shuts them off at $150,000 per couple.

According to the Congressional Budget Office, in 1999, there were about 7.5 million joint returns with an adjusted gross income greater than $100,000. And 56 percent of that group, or 4.2 million couples, suffered from a marriage penalty. The total amount of marriage penalty suffered by those couples is almost $12 billion, which is more than one-third of all the marriage penalties caused by our Tax Code.

The average marriage penalty faced by each one of these families is about $2,800. Yet despite these significant marriage penalties encountered by these couples—and they claim that this is a targeted tax bill to eliminate the marriage tax—this substitute amendment turns its back on those taxpayers. The amendment tells these

folks they make too much money and should not receive complete relief.

A few weeks ago, during the Finance Committee markup on the marriage penalty, and the subsequent procedural debate on the Senate floor, the Democratic alternative was a separate filing regime with no income limits. Now the substitute amendment has arbitrary income limits.

What has happened in the last 3 months? The surplus estimates have outgrown even the rosiest expectations. We continue to see the accumulation of tremendous on-budget surpluses. We have continued to see more and more evidence of America's tax overpayment. Especially in this environment, I cannot see any rationale for creating some arbitrary income level. Yet that is precisely what this amendment does. It seems to me that we are going in the wrong direction. This is just not right.

Over the past few years, all of us—both Democrats and Republicans—have talked at length about the fundamental unfairness of the marriage penalty in the Tax Code. But if we really believe it is a policy that needs to be changed—I believe that it does—then we should change it for all Americans. I do not see how we can justify solving the marriage tax penalty for some but letting it remain for others at an arbitrary income level. This does not have to be—and should not be—an issue of the rich versus the poor.

While I do not agree with this amendment, I do want to commend my colleague for recognizing American families deserve substantial tax relief. Over 5 years, this alternative costs the same as the marriage tax relief reconciliation bill of 2000—a total of $55 billion. It is nice to see many Members have recognized that we should return the income tax overpayment to families across the country. This amendment takes what could be a good framework and destroys it with income limits.

I urge my colleagues to oppose the substitute amendment.

Mr. BAUCUS. Mr. President, I rise to support the Moynihan amendment, which provides an alternative form of marriage penalty relief.

I do so for two main reasons.

First, unlike the bill, the Democratic alternative completely eliminates the marriage penalty, by giving taxpayers the choice whether to file their taxes individually or jointly.

Second, unlike the bill, the Democratic alternative only addresses the marriage penalty, rather than providing a more general tax cut that benefits some people but not others. In that sense, it's a replay of yesterday's debate, about estate taxes. By concentrating on the real problem, the Democratic alternative leaves resources available for other pressing national needs.

Before going into these arguments in more detail, I'd provide a little background.

From some of the debate that we've heard over the past months, you'd think that the proponents of committee bill are only ones in favor of marriage.

But as is usually the case, it's not that simple. In fact, the taxation of married couples presents some complex issues, requiring careful thought.

After all, the so-called ''marriage penalty'' is not some devilish concoction designed to discourage marriage and reward sinners.

It is, instead, a reflection of some difficult choices that have been made. We have to decide how to tax married couples compared to individuals, and we have to decide whether couples that earn the same amount of income, but in different proportions between the husband and wife, should be taxed differently.

These are not easy issues. They don't have pat, obvious answers. And, when you try to solve one problem, you often create another.

Congress has wrestled with these questions before. Up until 1948, married people filed taxes individually. That created problems. Among other things, the Supreme Court held that the IRS must give effect to state community property laws. As a result, couples were taxes differently depending on how different state community property laws allocated income between spouses. If a couple lived in a common law state, they may have had to pay higher taxes than a couple with the same income between spouses. If a couple lived in a common law state, they may have had to pay higher taxes than a couple with the same income who lived in a community property state.

In 1948, Congress addressed this by allowing all married couples to file joint returns. Congress set the personal exemption, standard deduction, and ''rate breaks'' for couples at twice those for individuals. For some couples, that created the so-called ''marriage bonus''. For example, if one spouse earned 100 percent of the income, the couple would probably pay lower taxes after marriage, because the income would be split evenly between the two spouses, and they would benefit from lower tax rates.

In 1969, Congress decided that this system treated individuals unfairly.

The Senate Finance Committee report said that ''the tax rates imposed on single persons are too heavy relative to those imposed on married couples at the same income level . . . While some difference between the rate of tax paid by single persons and joint returns is appropriate to reflect the additional living expenses of married taxpayers, the existing differential of as much as 41 percent which results from income splitting cannot be justified.''

So in 1969, Congress adjusted the rate schedules, setting the rate breaks for individuals at about 60 percent of those for couples, rather than 50 percent. That addressed the perceived unfairness to individuals.

But it resulted in some couples paying higher taxes after they marry—the marriage penalty.

We've pretty much stuck with that system ever since, through Democratic and Republican Administrations, when Democrats were in the Senate majority and when Republicans were in the Senate majority.

In recent years, however, some things have changes, that have made the taxation of married couples a bigger issue.

First of all, as we've added more credits, deductions, and exclusions to the Tax Code, each has included it's own ''marriage penalty,'' because there's a separate rate schedule for individuals and married couples.

For example, the 1997 tax bill, sponsored primarily by Republicans, made two noteworthy additions to the marriage penalty. The first is the child tax credit. The phase out for this credit begins a $110,000 of adjusted gross income for joint return filers, but at $75,000 for unmarried parents, creating both a marriage bonus for sole earner couples and a marriage penalty for dual earner couples.

The second is the phaseouts of the deduction for interest on student loans. The phaseout for this deduction begins at $40,000 for unmarried individuals and at $60,000 for joint return filers. Like the child credit phaseout, it creates a marriage bonus for one earner couples and a marriage penalty for two earner couples.

So the issue has become compounded by all of our tinkering with the Code.

In addition, there's been a demographic shift. More couples today are two earner couples than there were three decades ago. So more couples today face a marriage penalty than a bonus.

Pulling this together, the marriage penalty is not intentional. It's not designed to penalize marriage. It's a natural consequence of some rational decisions.

But it's still a problem, both in fact and in the eyes of the American people.

And it's a problem that we should do something about. But we should all understand that there is no ''magic bullet'' that will solve the problem without potentially creating others. We must make some tough choices.

That brings me to the committee bill.

It has some good features, including the provisions regarding the standard deduction and the earned income tax credit.

But is also has several flaws.

Most important of these, the bill isn't a ''marriage penalty'' proposal at all.

Let's have a little truth in advertising. Let's tell people what's really going on. This isn't a marriage penalty bill. It's a tax cut, disguised as a marriage penalty bill.

More than half of the tax cut goes to couples who don't face a marriage penalty, or to individuals who pay the alternative minimum tax.

It's really more like a broad-based tax cut, at least for married couples and some individuals.

That kind of a tax cut may or may not be a good idea, compared to other priorities. But let's be clear. The Chairman's bill is not simply a bill to reduce the marriage penalty.

Viewed not as a marriage penalty bill, but as a tax cut, it's arbitrary—there's no particular rhyme or reason to it. If you're married and pay a marriage penalty, you get a tax cut. If you're married and don't pay a marriage penalty, you also get a tax cut. And if you're married and get a tax bonus, you still get a tax cut.

If you're single, you get no tax cut. In fact, the disparity between married and single taxpayers widens, to where is was before 1969.

Think about it. If you're married, with no kids, and you're already receiving the so-called marriage bonus, you get a tax cut.

If, on the other hand, you're a single mom with three kids, struggling to make end meet, you get no tax cut. Zero

The Democratic alternative, on the other hand, is more fair and more logical. You only get a tax cut if you have a marriage penalty. And if you have a marriage penalty, the Democratic alternative completely eliminates it. Not partial relief. Complete elimination.

You won't have to worry about the marriage penalty in the student loan deduction, or in Social Security benefits, or in any of the 65 separate marriage penalties that have crept into the Tax Code over the years. The Democratic alternative eliminates all of them at one time.

And it does so in a way most taxpayers can understand—if they save more in taxes by filing as individuals, that is what they're allowed to do. It's their choice how they file their returns. Taxpayers in a number of states, including my own home state of Montana, already have this option and it saves them millions of dollars in taxes.

Mr. President, let's eliminate the marriage penalty, not just provide some relief from it.

And let's do it by empowering taxpayers to make the choice about how they file their taxes.

I urge my colleagues to support the Democratic alternative.

AMENDMENT NO. 3864

Mr. ROTH. Mr. President, I move to strike the sunset provisions in the underlying bill on page 8, lines 6 through 14. I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes an amendment numbered 3864.

Mr. ROTH. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To strike sunset provision)

On page 8, strike lines 6 through 14.

AMENDMENT NO. 3865 TO AMENDMENT NO. 3863

Mr. ROTH. Mr. President, I also move to strike the sunset provisions in the substitute offered by Senator MOYNIHAN, on page 9, lines 23 through 25, and send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes an amendment numbered 3865 to amendment No. 3863.

Mr. ROTH. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

(Purpose: To strike sunset provision)

On page 9, strike lines 23 through 25.

Mr. ROTH. Mr. President, I further note that both my amendments would be deemed extraneous under section 313, the so-called Byrd rule of the Budget Act, because they increase the deficit beyond the years for which the Finance Committee has received reconciliation and instruction. Therefore, I move to waive the point of order against both my amendments pursuant to section 313(b)(1)(E) of the Congressional Budget Act of 1974, the House companion bill, and any conference report thereon.

Mr. REID. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ROTH. Mr. President, I ask unanimous consent with respect to the Grams amendment No. 3861, that it be in order for Senator REID to offer a second-degree amendment and, immediately following the offering of that amendment, it be set aside in order for Senator ROTH to offer a second-degree amendment.

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

AMENDMENT NO. 3866 TO AMENDMENT NO. 3861

Mr. REID. Mr. President, under the unanimous consent agreement, I send an amendment to the desk in relation to amendment No. 3861.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 3866 to the Grams amendment No. 3861.

Mr. REID. 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:

At the end of the amendment add the following:

FINDINGS

The Grams Social Security amendment includes a general fund transfer to the Medicare HI Trust Fund of $113 billion over the next 10 years.

Without a general fund transfer to the HI trust fund, the Grams amendment would cause Medicare to become insolvent 5 years earlier than is expected today.

It is appropriate to protect the Medicare program and ensure its quality and viability by transferring monies from the general fund to the Medicare HI Trust Fund.

The adoption of the Grams Social Security amendment has put a majority of the Senate on record in favor of a general fund transfer to the HI trust fund.

Today, the Medicare HI Trust Fund is expected to become insolvent in 2025.

The $113 billion the Grams amendment transfers to the HI trust fund to maintain Medicare's solvency is the same amount that the President has proposed to extend its solvency to 2030.

SENSE OF THE SENATE

It is the sense of the Senate that the general fund transfer mechanism included in the Grams Social Security amendment should be used to extend the life of the Medicare Trust Fund through 2030, to ensure that Medicare remains a strong health insurance program for our nation's seniors and that its payments to health providers remain adequate.

Mr. REID. I yield back any time we have for debate on that amendment.

Mr. ROTH. I yield back any time we may have on that amendment.

AMENDMENT NO. 3867 TO AMENDMENT NO. 3861

Mr. ROTH. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes an amendment numbered 3867 to the GRAMS amendment No. 3861.

Mr. ROTH. 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:

(Purpose: To repeal the increase in tax on Social Security benefits)

Strike all after the first word and add the following:

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. REPEAL OF INCREASE IN TAX ON SOCIAL SECURITY BENEFITS.

(a) REPEAL OF INCREASE IN TAX ON SOCIAL SECURITY BENEFITS.—

(1) IN GENERAL.—Paragraph (2) of section 86(a) (relating to social security and tier 1 railroad retirement benefits) is amended by adding at the end the following new flush sentence:

''This paragraph shall not apply to any taxable year beginning after December 31, 2000.''

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after December 31, 2000.

(b) REVENUE OFFSET.—The Secretary of the Treasury shall transfer, for each fiscal year, from the general fund in the Treasury to the Federal Hospital Insurance Trust Fund established under section 1817 of the Social Security Act (42 U.S.C. 1395i) an amount equal to the decrease in revenues to the Treasury for such fiscal year by reason of the amendment made by this section.

This section shall become effective 1 day after enactment of this Act.

Mr. ROTH. Mr. President, I yield back any time I have on the amendment.

Mr. REID. As does the minority, Mr. President.

AMENDMENT NO. 3868

Mr. ROTH. Mr. President, on behalf of Senator STEVENS, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH], for Mr. STEVENS, for himself, proposes an amendment numbered 3868.

Mr. ROTH. 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:

(Purpose: To amend the Internal Revenue Code of 1986 to maintain exemption of Alaska from dyeing requirements for exempt diesel fuel and kerosene)

At the appropriate place insert the following new section:

"SEC. . ALASKA EXEMPTION FROM DYEING REQUIREMENTS.

(a) EXCEPTION TO DYEING REQUIREMENTS FOR EXEMPT DIESEL FUEL AND KEROSENE.—Paragraph (1) of section 4082(c) (relating to exception to dyeing requirements) is amended to read as follows:

''(1) removed, entered, or sold in the State of Alaska for ultimate sale or use in such State, and''.

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to fuel removed, entered, or sold on or after the date of the enactment of this Act.

Mr. ROTH. Mr. President, I yield back any time I have on the amendment.

Mr. REID. As does the minority.

AMENDMENT NO. 3869

Mr. ROTH. Mr. President, on behalf of Senator STEVENS, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH], for Mr. STEVENS, proposes an amendment numbered 3869.

Mr. ROTH. 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:

(Purpose: To amend section 415 of the Internal Revenue Code)

At the appropriate place insert the following new section:

"SEC. . TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.

''(a) COMPENSATION LIMIT.—Paragraph (11) of section 415(b) (relating to limitation for defined benefit plans) is amended to read as follows:

'''(11) SPECIAL LIMITATION RULE FOR GOVERNMENTAL AND MULTIEMPLOYER PLANS.—In the case of a governmental plan (as defined in section 414(d)) or a multiemployer plan (as defined in section 414(f)), subparagraph (B) of paragraph (1) shall not apply.'

''(b) COMBINING AND AGGREGATION OF PLANS.—

''(1) COMBINING OF PLANS.—Subsection (f) of section 415 (relating to combining of plans) is amended by adding at the end the following:

'''(3) EXCEPTION FOR MULTIEMPLOYER PLANS.—Notwithstanding paragraph (1) and subsection (g), a multiemployer plan (as defined in section 414(f)) shall not be combined or aggregated with any other plan maintained by an employer for purposes of applying the limitations established in this section. The preceding sentence shall not apply for purposes of applying subsection (b)(1)(A) to a plan which is not a multiemployer plan.'

''(2) CONFORMING AMENDMENT FOR AGGREGATION OF PLANS.—Subsection (g) of section 415 (relating to aggregation of plans) is amended by striking 'The Secretary' and inserting 'Except as provided in subsection (f)(3), the Secretary'.

''(c) APPLICATION OF SPECIAL EARLY RETIREMENT RULES.—Section 415(b)(2)(F) (relating to plans maintained by governments and tax-exempt organizations) is amended—

''(1) by inserting 'a multiemployer plan (within the meaning of section 414(f)),' after 'section 414(d)),', and

''(2) by striking the heading and inserting:

'''(F) SPECIAL EARLY RETIREMENT RULES FOR CERTAIN PLANS.—'

''(d) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.''.

Mr. ROTH. Mr. President, I yield back the remaining time on the amendment.

Mr. REID. As does the minority.

AMENDMENT NO. 3870

Mr. ROTH. Mr. President, on behalf of Senator STEVENS, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH], for Mr. STEVENS, proposes an amendment numbered 3870.

Mr. ROTH. 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:

(Purpose: To amend the Internal Revenue Code of 1986 to provide a charitable deduction for certain expenses incurred in support of Native Alaskan subsistence whaling)

At the appropriate place insert the following new section:

"SEC. . CHARITABLE CONTRIBUTION DEDUCTION FOR CERTAIN EXPENSES INCURRED IN SUPPORT OF NATIVE ALASKAN SUBSISTENCE WHALING.

(a) IN GENERAL.—Section 170 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) EXPENSES PAID BY CERTAIN WHALING CAPTAINS IN SUPPORT OF NATIVE ALASKAN SUBSISTENCE WHALING.—

''(1) IN GENERAL.—In the case of an individual who is recognized by the Alaska Eskimo Whaling Commission as a whaling captain charged with the responsibility of maintaining and carrying out sanctioned whaling activities and who engages in such activities during the taxable year, the amount described in paragraph (2) (to the extent such amount does not exceed $7,500 for the taxable year) shall be treated for purposes of this section as a charitable contribution.

''(2) AMOUNT DESCRIBED.—

''(A) IN GENERAL.—The amount described in this paragraph is the aggregate of the reasonable and necessary whaling expenses paid by the taxpayer during the taxable year in carrying out sanctioned whaling activities.

''(B) WHALING EXPENSES.—For purposes of subparagraph (A), the term 'whaling expenses' includes expenses for—

''(i) the acquisition and maintenance of whaling boats, weapons, and gear used in sanctioned whaling activities,

''(ii) the supplying of food for the crew and other provisions for carrying out such activities, and

''(iii) storage and distribution of the catch from such activities.

''(3) SANCTIONED WHALING ACTIVITIES.—For purposes of this subsection, the term 'sanctioned whaling activities' means subsistence bowhead whale hunting activities conducted pursuant to the management plan of the Alaska Eskimo Whaling Commission''.

(b) EFFECTIVE DATE.—the amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2000.

Mr. ROTH. Mr. President, I yield back the remaining time on the amendment.

Mr. REID. The minority yields back.

AMENDMENT NO. 3871

Mr. ROTH. Mr. President, on behalf of Senator STEVENS, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH], for Mr. STEVENS, proposes an amendment numbered 3871.

Mr. ROTH. 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:

(Purpose: To amend the Internal Revenue Code to provide for equitable treatment of trusts created to preserve the benefits of Alaska Native Settlement Act)

At the appropriate place insert the following new section:

SEC. . TAX TREATMENT OF ALASKA NATIVE SETTLEMENT TRUSTS.

(a) MODIFICATION OF TAX RATE.—Section 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(i) In lieu of the tax imposed by subsection (c), there is hereby imposed on any electing Settlement Trust (as defined in section 646(e)(2)) a tax at the rate of 15% on its taxable income (as defined in section 646(d)), except that if such trust has a net capital gain for any taxable year, a tax shall be imposed on such net capital gain at the rate of tax that would apply to such net capital gain if the taxpayer were an individual subject to a tax on ordinary income at a rate of 15%.''

(b) SPECIAL RULES RELATING TO TAXATION OF ALASKA NATIVE SETTLEMENT TRUSTS.—Subpart A of Part I of subchapter J of Chapter 1 (relating to general rules for taxation of trusts and estates) is amended by adding at the end the following new section.

"SEC. 646. TAX TREATMENT OF ALASKA NATIVE SETTLEMENT TRUSTS.

''(a) IN GENERAL.—Except as otherwise provided in this section, the provisions of this subchapter and section 1(c) shall apply to all settlement trusts organized under the Alaska Native Claims Settlement Act (''Claims Act'')).

''(b) ONE-TIME ELECTION.—

''(1) EFFECT. In the case of an electing Settlement Trust, then except as set forth in this section—

''(A) section 1(i), and not section 1(e), shall apply to such trust;

''(B) no amount shall be includible in the gross income of any person by reason of a contribution to such trust; and

''(C) the beneficiaries of such trust shall be subject to tax on the distributions by such trust only as set forth in paragraph (2).

''(2) TAX TREATMENT OF DISTRIBUTIONS TO BENEFICIARIES BY ELECTING SETTLEMENT TRUSTS.—

''(A) distributions by an electing Settlement Trust shall be taxed as follows:

''(i) Any distributions by such trust, up to the amount for such taxable year of such trust's taxable income plus any amount of income excluded from the income of the trust by section 103, shall be excluded from the gross income of the recipient beneficiaries;

''(ii) Next, any distributions by such trust during the taxable year that are not excluded from the recipient beneficiaries' income pursuant to clause (i) shall nonetheless be excluded from the gross income of the recipient beneficiaries. The maximum exclusion under this clause shall be equal to the amount during all years in which an election under this subsection has been in effect of such trust's taxable income plus any amount of income excluded from the income of the trust by section 103, reduced by any amounts which have previously been excluded from the recipient beneficiaries' income under this clause or clause (i);

(iii) The remaining distributions by the Trust during the taxable year which are not excluded from the beneficiaries' income pursuant to clause (i) or (ii) shall be deemed for all purposes of this title to be treated as distributions by the sponsoring Native Corporation during such taxable year upon its stock and taxable to the recipient beneficiaries to the extent provided in Subchapter C of Subtitle A.

''(3) TIME AND METHOD OF ELECTION.—An election under this subsection shall be made—

''(A) before the due date (including extensions) for filing the Settlement Trust's return of tax for the first taxable year of such trust ending after the date of enactment of this subsection, and

''(B) by attaching to such return of tax a statement specifically providing for such election.

''(4) PERIOD ELECTION IN EFFECT.—Except as provided in subsection (c), an election under this subsection—

''(A) shall apply to the 1st taxable year described in subparagraph (3)(A) and all subsequent taxable years, and

''(B) may not be revoked once it is made.

''(c) SPECIAL RULES WHERE TRANSFER RESTRICTIONS MODIFIED.—

''(1) TRANSFER OF BENEFICIAL INTERESTS.—If the beneficial interests in an electing Settlement Trust may at any time be disposed of in a manner which would not be permitted by section 7(h) of the Claims Act (43 U.S.C. 1606(h)) if such beneficial interest were Settlement Common Stock—

''(A) no election may be made under subsection (b) with respect to such trust, and

''(B) if an election under subsection (b) is in effect as of such time—

''(i) such election is revoked as of the 1st day of the taxable year following the taxable year in which such disposition is first permitted, and

''(ii) there is hereby imposed on such Alaska Native Settlement Trust in lieu of any other taxes for such taxable year a tax equal to the product of the fair market value of the assets held by such trust as of the close of the taxable year in which such disposition is first permitted and the highest rate of tax under section 1(e) for such taxable year.

''(2) STOCK IN CORPORATION.—If—

''(A) the Settlement Common Stock in the sponsoring Native Corporation may be disposed of in any manner not permitted by section 7(b) of the Claims Act, and

''(B) at any time after such disposition is first permitted, the sponsoring Native Corporation transfer assets to such Settlement Trust,

subparagaph (1)(B) shall be applied to such trust in the same manner as if the trust permitted dispositions of beneficial interests in the trust other than would be permitted under section 7(h) of the Claims Act if such beneficial interests were Settlement Common Stock.

''(3) ADMINISTRATIVE PROVISIONS.—For purposes of Subtitle F, the tax imposed by clause (ii) of subparagraph (1)(B) shall be treated as an excise tax with respect to which the deficiency procedures of such subtitle apply.

''(d) TAXABLE INCOME.—For purposes of this Title, the taxable income of an electing Settlement Trust shall be determined under section 641(b) without regard to any deduction under section 651 or 661.

''(e) DEFINITIONS.—For purposes of this section, section 1(i) and section 6041.—

''(1) NATIVE CORPORATION.—The term 'Native Corporation' has the meaning given such term by section 3(m) of the Claims Act (43 U.S.C. 1602(m))

''(2) SPONSORING NATIVE CORPORATION.—The term 'sponsoring Native Corporation' means the respective Native Corporation that transferred assets to an electing Settlement Trust.

''(3) SETTLEMENT TRUST.—The term 'Settlement Trust' means a trust which constitutes a settlement trust under section 39 of the Claims Act (43 U.S.C. 1629e).

''(4) ELECTING SETTLEMENT TRUST.—The term 'electing Settlement Trust' means a Settlement Trust that has made the election described in subsection (b).

''(5) SETTLEMENT COMMON STOCK.—The term 'Settlement Common Stock' has the meaning given such term by section 3(p) of the Claims Act (43 U.S.C. 1602(p)).''

(c) REPORTING.—Section 6041 of such Code is amended by adding at the end the following new subsection:

''(f) APPLICATION TO CERTAIN ALASKA NATIVE SETTLEMENT TRUSTS.—In lieu of all other rules (whether imposed by statute, regulation or otherwise that require a trust to report to its beneficiaries and the Commissioner concerning distributable share information, the rules of this subsection shall apply to an electing Settlement Trust (as defined in section 646(e)(4)). An electing Settlement Trust is not required to include with its return of income or send to its beneficiaries statement that identify the amounts distributed to specific beneficiaries. An electing Settlement Trust shall instead include with its own return of income a statement as to the total amount of its distributions during such taxable year, the amount of such distributions which are excludable from the recipient beneficiaries' gross income pursuant to section 646, and the amount, if any, of its distributions during such year which were deemed to have been made by the sponsoring Native Corporation (as such term is defined in section 646(e)(2)).''

''(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of electing Settlement Trusts, their beneficiaries, and sponsoring Native Corporations ending after the date of the enactment of this Act and to contributions made to electing Settlement Trusts during such year and thereafter.

Mr. ROTH. I yield back any time I have.

Mr. REID. As does the minority.

AMENDMENT NO. 3872

Mr. ROTH. Mr. President, I send an amendment to the desk on behalf of Senator STEVENS.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH], for Mr. STEVENS, proposes an amendment numbered 3872.

Mr. ROTH. 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:

(Purpose: To clarify the tax treatment of passengers filing empty seats on noncommercial airplanes)

At the appropriate place insert the following new section:

SEC. . TAX TREATMENT OF PASSENGERS FILLING EMPTY SEATS ON NONCOMMERCIAL AIRPLANES.

(a) Subsection (j) of section 132 of the Internal Revenue Code of 1986 (relating to certain fringe benefits) is amended by adding at the end thereof the following new paragraph:

''(9) SPECIAL RULE FOR CERTAIN NONCOMMERCIAL AIR TRANSPORTATION.—Notwithstanding any other provision of this section, the term 'no-additional-cost service' includes the value of transportation provided to any person on a noncommercially operated aircraft if—

''(A) such transportation is provided on a flight made in the ordinary course of the trade or business of the taxpayer owning or leasing such aircraft for use in such trade or business,

''(B) the flight on which the transportation is provided would have been made whether or not such person was transported on the flight, and

''(C) no substantial addition cost is incurred in providing such transportation to such person.

For purposes of this paragraph, an aircraft is noncommercially operated if transportation thereon is not provided or made available to the general public by purchase of a ticket or other fare.''

(b) EFFECTIVE DATE.—The amendment made by Section 1 shall take effect on January 1, 2001.

Mr. ROTH. Mr. President, I yield back my time.

Mr. REID. As does the minority.

AMENDMENT NO. 3873

Mr. ROTH. Once more, Mr. President, on behalf of Senator STEVENS, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH], for Mr. STEVENS, proposes an amendment numbered 3873.

Mr. ROTH. 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:

(Purpose: To amend title 26 of the Taxpayer Relief Act of 1986 to allow income averaging for fishermen without negative Alternative Minimum Tax treatment, for the creation of risk management accounts for fishermen and for other purposes)

At the appropriate place insert the following new section:

SEC. __. INCOME AVERAGING FOR FISHERMEN WITHOUT INCREASING ALTERNATIVE MINIMUM TAX LIABILITY AND FISHERMEN RISK MANAGEMENT ACCOUNTS.

(a)(1) INCOME AVERAGING FOR FISHERMEN WITHOUT INCREASING ALTERNATIVE MINIMUM TAX LIABILITY.—Section 55(c) (defining regular tax) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following:

''(2) COORDINATION WITH INCOME AVERAGING FOR FISHERMEN.—Solely for purposes of this section, section 1301 (relating to averaging of fishing income) shall not apply in computing the regular tax.''.

(2) ALLOWING INCOME AVERAGING FOR FISHERMEN.—

(A) IN GENERAL.—Section 1301(a) is amended by striking 'farming business' and inserting 'farming business or fishing business,'.

''(B) DEFINITION OF ELECTED FARM INCOME.—

''(i) IN GENERAL.—Clause (i) of section 1301(b)(1)(A) is amended by inserting 'or fishing business' before the semicolon.

''(ii) CONFORMING AMENDMENT.—Subparagraph (B) of section 1301(b)(1) is amended by inserting 'or fishing business' after 'farming business' both places it occurs.

''(C) DEFINITION OF FISHING BUSINESS.—Section 1301(b) is amended by adding at the end the following new paragraph:

''(4) FISHING BUSINESS.—The term 'fishing business' means the conduct of commercial fishing (as defined in section 3 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802, Public Law 94–265 as amended)).''.

(b) FISHERMEN RISK MANAGEMENT ACCOUNTS.—Subpart C of part II of subchapter E of chapter 1 (relating to taxable year for which deductions taken) is amended by inserting after section 468B the following:

''SEC. 468C. FISHING RISK MANAGEMENT ACCOUNTS.

''(a) DEDUCTION ALLOWED.—In the case of an individual engaged in an eligible commercial fishing activity, there shall be allowed as a deduction for any taxable year the amount paid in cash by the taxpayer during the taxable year Fishing Risk Management Account (hereinafter referred to as the 'FisheRMen Account').

''(b) LIMITATION.—

''(1) CONTRIBUTIONS.—The amount which a taxpayer may pay into the FisheRMen Account for any taxable year shall not exceed 20 percent of so much of the taxable income of the taxpayer (determined without regard to this section) which is attributable (determined in the manner applicable under section 1301) to any eligible commercial fishing activity.

''(2) DISTRIBUTIONS.—Distributions from a FisheRMen Account may not be used to purchase, lease, or finance any new fishing vessel, add capacity to any fishery, or otherwise contribute to the overcapitalization of any fishery. The Secretary of Commerce shall implement regulations to enforce this paragraph.

''(c) ELIGIBLE BUSINESSES.—For purposes of this section—

''(1) COMMERCIAL FISHING ACTIVITY.—The term 'commercial fishing activity' has the meaning given the term commercial fishing by section (3) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802, Public Law 94–265 as amended) but only if such fishing is not a passive activity (within the meaning of section 469(c)) of the taxpayer.

''(d) FISHERMEN ACCOUNT.—For purposes of this section—

''(1) IN GENERAL.—The term 'FisheRMen Account' means a trust created or organized in the United States for the exclusive benefit of the taxpayer, but only if the written governing instrument creating the trust meets the following requirements:

''(A) No contribution will be accepted for any taxable year in excess of the amount allowed as a deduction under subsection (a) for such year.

''(B) The trustee is a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section.

''(C) The assets of the trust consist entirely of cash or of obligations which have adequate stated interest (as defined in section 1274(c)(2)) and which pay such interest not less often than annually.

''(D) All income of the trust is distributed currently to the grantor.

''(E) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

''(2) ACCOUNT TAXED AS GRANTOR TRUST.—The grantor of a FisheRMen Account shall be treated for purposes of this title as the owner of such Account and shall be subject to tax thereon in accordance with subpart E of part I of subchapter J of this chapter (relating to grantors and others treated as substantial owners).

''(e) INCLUSION OF AMOUNTS DISTRIBUTED.—

''(1) IN GENERAL.—Except as provided in paragraph (2), there shall be includible in the gross income of the taxpayer for any taxable year—

''(A) any amount distributed from a FisheRMen Account of the taxpayer during such taxable year, and

''(B) any deemed distribution under—

''(i) subsection (f)(1) (relating to deposits not distributed within 5 years),

''(ii) subsection (f)(2) (relating to cessation in eligible commercial fishing activities), and

''(iii) subparagraph (A) or (B) of subsection (f)(3) (relating to prohibited transactions and pledging account as security).

''(2) EXCEPTIONS.—Paragraph (1)(A) shall not apply to—

''(A) any distribution to the extent attributable to income of the Account, and

''(B) the distribution of any contribution paid during a taxable year to a FisheRMen Account to the extent that such contribution exceeds the limitation applicable under subsection (b) if requirements similar to the requirements of section 408(d)(4) are met.

''For purposes of subparagraph (A), distributions shall be treated as first attributable to income and then to other amounts.

''(f) SPECIAL RULES.—

''(1) TAX ON DEPOSITS IN ACCOUNT WHICH ARE NOT DISTRIBUTED WITHIN 5 YEARS.—

''(A) IN GENERAL.—If, at the close of any taxable year, there is a nonqualified balance in any FisheRMen Account—

''(i) there shall be deemed distributed from such Account during such taxable year an amount equal to such balance, and

''(ii) the taxpayer's tax imposed by this chapter for such taxable year shall be increased by 10 percent of such deemed distribution.

''The preceding sentence shall not apply if an amount equal to such nonqualified balance is distributed from such Account to the taxpayer before the due date (including extensions) for filing the return of tax imposed by this chapter for such year (or, if earlier, the date the taxpayer files such return for such year).

''(B) NONQUALIFIED BALANCE.—For purposes of subparagraph (A), the term 'nonqualified balance' means any balance in the Account on the last day of the taxable year which is attributable to amounts deposited in such Account before the 4th preceding taxable year.

''(C) ORDERING RULE.—For purposes of this paragraph, distributions from a FisheRMen Account (other than distributions of current income) shall be treated as made from deposits in the order in which such deposits were made, beginning with the earliest deposits.

''(2) CESSATION IN ELIGIBLE BUSINESS.—At the close of the first disqualification period after a period for which the taxpayer was engaged in an eligible commercial fishing activity, there shall be deemed distributed from the FisheRMen Account of the taxpayer an amount equal to the balance in such Account (if any) at the close of such disqualification period. For purposes of the preceding sentence, the term 'disqualification period' means any period of 2 consecutive taxable years for which the taxpayer is not engaged in an eligible commercial fishing activity.

''(3) CERTAIN RULES TO APPLY.—Rules similar to the following rules shall apply for purposes of this section:

''(A) Section 220(f)(8) (relating to treatment on death).

''(B) Section 408(e)(2) (relating to loss of exemption of account where individual engaged in prohibited transaction).

''(C) Section 408(e)(4) (relating to effect of pledging account as security).

''(D) Section 408(g) (relating to community property laws.)

''(E) Section 408(h) (relating to custodial accounts).

''(4) TIME WHEN PAYMENTS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a payment to a FisheRMen Account on the last day of a taxable year if such payment is made on account of such taxable year and is made on or before the due date (without regard to extensions) for filing the return of tax for such taxable year.

''(5) INDIVIDUAL.—For purposes of this section the term 'individual' shall not include an estate or trust.

''(6) DEDUCTION NOT ALLOWED FOR SELF-EMPLOYMENT TAX.—The deduction allowable by reason of subsection (a) shall not be taken into account in determining an individual's net earnings from self-employment (within the meaning of section 1402(a)) for purposes of chapter 2.

''(g) REPORTS.—The trustee of a FisheRMen Account shall make such reports regarding such Account to the Secretary and to the person for whose benefit the Account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such persons at such time and in such manner as may be required by such regulations.''.

(c) CONFORMITY WITH EXISTING PROVISIONS AND CLERICAL AMENDMENT.—

(1) Subsection (a) of section 4973 (relating to tax on excess contributions to certain tax-favored accounts and annuities) is amended by striking ''or'' at the end of paragraph (3), by redesignating paragraph (4) as paragraph (5), and by inserting after paragraph (3) the following:

''(4) a FisheRMen Account (within the meaning of section 468C(d)), or''.

(2) Section 4973 is amended by adding at the end the following:

''(g) EXCESS CONTRIBUTIONS TO FISHERMEN ACCOUNTS.—For purposes of this section, in the case of a FisheRMen Account (within the meaning of section 468C(d)), the term 'excess contributions' means the amount by which the amount contributed for the taxable year to the Account exceeds the amount which may be contributed to the Account under section 468C(b) for such taxable year. For purposes of this subsection, any contribution

which is distributed out of the FisheRMen Account in a distribution to which section 468C(e)(2)(B) applies shall be treated as an amount not contributed.''.

(3) The section heading for section 4973 is amended to read as follows:

''SEC. 4973. EXCESS CONTRIBUTIONS TO CERTAIN ACCOUNTS, ANNUITIES, ETC.''.

(4) The table of sections for chapter 43 is amended by striking the item relating to section 4973 and inserting the following:

''Sec. 4973. Excess contributions to certain accounts, annuities, etc.''.

(5) TAX ON PROHIBITED TRANSACTIONS.—Subsection (c) of section 4975 (relating to tax on prohibited transactions) is amended by adding at the end the following:

''(6) SPECIAL RULE FOR FISHERMEN ACCOUNTS.—A person for whose benefit a FisheRMen Account (within the meaning of section 468C(d)) is established shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a FisheRMen Account by reason of the application of section 468C(f)(3)(A) to such account.''. (2) Paragraph (1) of section 4975(e) is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively, and by inserting after subparagraph (D) the following:

''(E) a FisheRMen Account described in section 468C(d).''.

(6) FAILURE TO PROVIDE REPORTS ON FISHERMEN ACCOUNTS.—Paragraph (2) of section 6693(a) (relating to failure to provide reports on certain tax-favored accounts or annuities) is amended by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively, and by inserting after subparagraph (B) the following:

''(C) section 468C(g) (relating to FisheRMen Accounts,''.

(7) CLERICAL AMENDMENT.—The table of sections for subpart C of part II of subchapter E of chapter 1 is amended by inserting after the item relating to section 468B the following:

''Sec. 468C. Fishing Risk Management Accounts.''.

(d) EFFECTIVE DATE.—The changes made by this section shall apply to taxable years beginning after December 31, 2000.

Mr. ROTH. Mr. President, I yield back whatever time I have remaining.

Mr. REID. As does the minority.

AMENDMENT NO. 3862, AS MODIFIED

Mr. ROTH. Mr. President, on behalf of Senator ABRAHAM, I ask unanimous consent to send a modification of his previous amendment to the desk.

The PRESIDING OFFICER. Is there objection to the modification?

Mr. REID. I have no objection, Mr. President.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment, as modified, is as follows:

(Purpose: To express the sense of the Senate regarding the need to repeal the marriage tax penalty and improve coverage of prescription drugs under the medicare program this year)

At the end of the Act, add the following:

TITLE VI—MISCELLANEOUS

SEC. 601. SENSE OF THE SENATE REGARDING COVERAGE OF PRESCRIPTION DRUGS UNDER THE MEDICARE PROGRAM.

(a) FINDINGS.—The Senate makes the following findings:

(1) Projected on-budget surpluses for the next 10 years total $1,900,000,000,000, according to the President's mid-session review.

(2) Eliminating the marriage tax penalty would reduce revenues by $56,000,000,000 over 10 years, leaving on-budget surpluses of $1,844,000,000,000.

(3) The medicare program established under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) faces the dual problem of inadequate coverage of prescription drugs and rapid escalation of program costs with the retirement of the baby boom generation.

(4) The concurrent resolution on the budget for fiscal year 2001 provides $40,000,000,000 for prescription drug coverage in the context of a reform plan that improves the long-term outlook for the medicare program.

(5) The Committee on Finance of the Senate currently is working in a bipartisan manner on reporting legislation that will reform the medicare program and provide a prescription drug benefit.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) on-budget surpluses are sufficient to both repeal the marriage tax penalty and improve coverage of prescription drugs under the medicare program and Congress should do both this year; and

(2) the Senate should pass adequately funded legislation that can effectively—

(A) expand access to outpatient prescription drugs;

(B) modernize the medicare benefit package;

(C) make structural improvements to improve the long term solvency of the medicare program;

(D) reduce medicare beneficiaries' out-of-pocket prescription drug costs, placing the highest priority on helping the elderly with the greatest need; and

(E) give the elderly access to the same discounted rates on prescription drugs as those available to Americans enrolled in private insurance plans.

Mr. ROTH. Mr. President, I believe that is all the amendments we have on this side.

Mr. REID. Mr. President, I say to the manager of the bill, Senator REED, who is a cosponsor of one of the amendments that was offered on his behalf and Senator TORRICELLI, wishes to speak on that amendment at this time.

Mr. REED. Mr. President, earlier today, the Senator from Nevada offered an amendment on childhood lead exposure on behalf of myself and Senator TORRICELLI. I wish to speak briefly at this time on the merits of that amendment.

Today, we are here to offer an amendment that would address a problem that is particularly pernicious, dealing with the health of children and exposure to lead paint. There are countless numbers of children across this country who have been physically and emotionally harmed, and cognitive development impaired, because they were unwittingly, in most cases, exposed to lead-based paint. Generally, this type of paint is common in older homes throughout the country. It is a particular problem in the Northeast, in Rhode Island and in Massachusetts; but it is not limited to that part of the country.

Anyplace where you have older houses, and the homes are more than 20 or 30 years old—you have this potential problem of exposure to lead-based paint by children, which may impact their physical and intellectual development.

The Medicaid authorities have recognized this problem and have promulgated regulations for screening and follow-up treatment services for Medicaid-eligible young children. However, in all too many cases, this screening requirement is ignored by Medicaid contractors. Without screening and without identification of lead poisoned children, there is no good opportunity for followup treatment.

Now, the amendment, proposed by Senator TORRICELLI and myself, would codify these regulations and would require screening conducted by Medicaid contractors, which are the health plans that provide services for the Medicaid population. With screening, it would also require the followup treatment and services necessary to ensure that the child can successfully deal with exposure and poisoning from lead.

What we are seeing across the country, from statistics being generated by the General Accounting Office, is that many States are negligent in ensuring that the contractors are screening children and providing followup treatment. Our amendment would try to respond to this known deficiency by requiring an annual report to Congress from HCFA and, in turn, requiring legislatively that the States not only insist upon the screening, but also report back to HCFA on the results of their screening efforts.

Let me emphasize that this is not a new mandate on the States. This is in response to the fact that the existing Federal regulations are being ignored. The next logical step—the one we propose—is to codify these regulations, literally give them the force of law so the States and Medicaid contractors will begin to do what they should have been doing since 1992.

What we have seen, in terms of the population of Medicaid children, is that they represent about 60 percent of all children who have been exposed to and poisoned by lead paint. Yet, only 20 percent of Medicaid-eligible children have been effectively screened for lead exposure. So you have estimates of 60 percent of the youth Medicaid population with some exposure to lead paint. Only 20 percent have been screened. That huge gap suggests very strongly that there are many, many children—too many—who are not being given the treatment they need to correct a very difficult problem.

Now, the other aspect we want to emphasize is the fact that timely screening of children exposed to lead is critical to their ultimate recovery. It is critical, not only to saving families the stress, turmoil and tragedy of a lead-poisoned child, but also saving society enormous economic costs associated with lead exposure and lead poisoning. One of the things that is quite clear to all who have looked into this problem is that, first, lead poisoning is a completely preventable illness. If children

are not exposed to lead—and typically exposure comes from paint in their homes—then they will not contract this disease. What is also critical is the fact that lead poisoning can cause extremely detrimental health effects in developing children. It is associated with brain damage, behavioral and learning problems, slow growth, and other maladies, all of which are avoidable if we screen, test, and literally get the lead out.

Statistics show that young children who are exposed to lead poisoning frequently require special education services. In fact, it has been suggested that children who have exposure to lead paint are 40 percent more likely to require special education.

Special education is one of the issues we often talk about during the course of the debate on educational priorities and funding. It costs an average of $10,000 above the cost of regular education for the typical special education child. Many of these children are in special education programs because they were poisoned by lead in their homes. If we can effectively deal with this health care problem, we will also deal with an educational problem and a funding problem, a problem that bedevils every local school system in this country.

Whenever I go back to my State, one of the top issues I hear about from my constituents is the extra cost of special education. While this proposal will at least go a small way toward addressing that problem, as well as going to the heart of the matter on protecting children from an environmental poison that can be avoided if we screen and take other remedial actions.

This amendment is only one part of a comprehensive strategy we need to protect children against the hazards of lead poisoning. We need screening of individual children and we need quick access to followup services and treatment; but we also need a housing policy that recognizes that we have an obligation to remove from older homes the lead paint that is the source of the contagion for these young children. If we put these together—screening, treatment, housing policies that try to get the lead out, and provide safe housing for all of our children—then I think we will be on our way not only to providing good, compassionate care for our children, but also saving society countless millions of dollars each year.

I particularly thank my colleagues, Senator BOND and Senator MIKULSKI, because over the last couple of years we have been able to put more resources into Federal lead abatement programs, treatment programs, and other programs aimed at this particularly pernicious problem. I hope we, in fact, continue on that trend.

Today we have an important opportunity to do what we have tried to do through regulations, but to do it through the force of law, by requiring screening and access to care for children, by requiring appropriate reports to Federal authorities and to the Congress, so we can eradicate this problem amongst our children in this country.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, one of the things I am afraid of is that many people following this debate will get confused about what we are talking about, why we are here, and what the issue is before us. I thought I would come over one more time before the weekend and basically try to outline what it is we are talking about. Many amendments are being offered. Our Democrat colleagues would not let us just bring up repeal of the marriage penalty and vote on it. They insisted on having the ability to offer amendments on scores of different issues. So I know it may be confusing as people listen to the debate.

Let me talk about what the issue is, where those of us stand on repealing the marriage tax penalty, what we believe we have to do regarding that; and then I want to talk a little bit about what the President has proposed as an alternative.

I don't know that anybody ever intended that American tax law penalize working people who get married. But today, when two people, both of whom work outside their home, meet, fall in love, get married, and pay their taxes, they pay, on average, $1,400 a year for the right to be married.

Now, I hope and believe that if you asked most American couples if it is worth $1,400 a year to them to be married, I think most of them would say it is. I can say, without any reservation, that my wife is worth $1,400 a year, and a bargain at that. But I believe she ought to get the money, and not bureaucrats in Washington, DC.

How did this all come about? You have to remember when the Tax Code was written that relatively few women worked outside the home. It was structured in such a way as to try to achieve various objectives.

But the bottom line is we have two problems today.

The first problem is, if you are single and you file your tax return, you get a standard deduction of $4,400. If you have a young man and a young woman, or not such a young man and not such a young woman, and they are single and filing separately, and don't itemize deductions, each one of them gets a standard deduction of $4,400. If they meet, fall in love, and get married, they end up getting a joint return standard deduction of $7,350—obviously, much less than $8,800, which would be twice the single deduction of $4,400. If you meet, fall in love, and get married, the amount of income you get to deduct before you start paying taxes is actually less after you are married than it is before.

Second, the income of the second spouse is added directly to the income of the first spouse.

What tends to happen is two people who, as singles, are in the 15-percent tax bracket meet, fall in love and get married, and end up in the 28-percent tax bracket. Hence, when you combine the discrimination in the tax law against married couples as compared to singles on the standard deduction, and when you look at pushing people into these higher tax brackets more quickly when they are married than when they were singled, the result is a marriage tax penalty which averages $1,400 each year.

We want the remedy to be very simple. We want to repeal the marriage penalty. We think this is not just an economic issue, we think it is a moral issue. We think even the greatest country in the history of the world is treading dangerously when it has policies that discourage people from forming families. We are not here to give any kind of sermon on families and the values of families, but the plain truth is the modern family is the most powerful institution in history for happiness and economic progress, and we don't think our Government, of all governments, should be trifling with it.

Our reform says, whereas single people get a $4,400 standard deduction, we will give a married couple $8,800. We want to change the tax brackets so that if two people get married who are in the 15-percent tax bracket as singles, they will still be in the 15-percent tax bracket after they get married; or, if they are in the 28-percent tax bracket, they are still in the 28-percent tax bracket after they get married.

You would think you could look throughout the continent of North America and not find a single soul who thought the marriage tax penalty was a good idea. But, unfortunately, we have a President and we have Members of this very Congress who may say they are not for it but they are opposed to getting rid of it.

They are opposed to getting rid of it for a very simple reason. They believe they can spend this money better than families. They believe if we repeal the marriage penalty and working couples get to keep $1,400 a year more of their own income to invest in their own family, in their own future, and in their own children, that those families will do a poorer job with that money than the Government will do if the Government gets to spend it. They really believe that the Government can spend it better.

Our President and many of our Democrat colleagues, honest to goodness, in their hearts, believe it is wrong to give this $1,400 back to people by eliminating the marriage penalty because they believe that Government could spend the money so much better than families could spend it.

While they believe that, they don't feel comfortable saying it because they don't believe the American people will agree with them.

So what do they say? What does our President say? He doesn't say: Look, don't give this money back to families. They will spend it on their children.

They will spend it on houses. They might buy a new refrigerator. They might go on vacation. They might send their children to Texas A&M. Let the Government spend it. But they do not say that. Our President is many things, but dumb is not one of them. He is very smart. So he says it is rich people—that we are trying to give money to rich people.

There is a code that you need to understand about our President and many people in his party. The code is that every tax increase is on rich people and every tax cut is for rich people; therefore, you always want to raise taxes but you never want to cut taxes.

I want to remind you—I am sure people who are listening to this debate are going to hear our President speak on the issue within a week after we send this bill down to the White House. The President is going to have to decide whether to sign it. I suspect he is going to say: I wanted to eliminate the marriage penalty. I am against the marriage penalty. It is just that I didn't want to do it for rich people.

Let me remind people that this is the same President who, when he raised taxes in 1993, looked us right in the eye over the television, and said: No one who is not rich will pay more taxes under my tax bill. Then he raised gasoline taxes on everybody. I guess maybe everybody who drives a truck, or a car, or uses gasoline in some way to travel or go to work is rich.

Then there was the even more grievous example where the President taxed people's Social Security benefits if they earned over $34,000 a year, because if you earn over $34,000 a year, according to the President, you are rich.

Here is an example I wanted to make. I think it is so priceless. Let me make it a couple of times to be sure I get it right.

The President says he wants to get rid of the marriage penalty but he doesn't want to do it for rich people. So what he proposes is raising the standard deduction if both people work. If one of them doesn't work, or one of them doesn't make as much money, he doesn't raise it or doesn't raise it as much. I am going to get back to that. But he doesn't expand the 15-percent bracket so that married people don't end up paying in the 28-percent tax bracket with the same incomes that were taxed at 15-percent when they were single. He says his plan just eliminates the marriage penalty for people who are not rich—that our plan eliminates it for people who are rich.

It is very interesting. For a couple filing a tax return, they move into the 28-percent tax bracket at a combined income of $43,850. If you want to know whether you are rich or not by the definition of our President, if you make $21,925 a year and your wife makes $21,925, according to Bill Clinton, you are rich.

I ask a question: Does anybody really believe that somebody making $21,925 a year is rich? I don't think anybody really believes that. Why does Bill Clinton say that? He says it because he is not willing to say what he really believes, which is, it is fine to penalize people for getting married, because he may not necessarily like it or enjoy it, but it is all right to do that and make them pay the marriage penalty of $1,400 a year because the Government can do such a good job spending that money and the family would probably waste it.

Let me mention two other issues. Then I will yield the floor.

The President says if both spouses are not working, they ought not to get the benefit. We reject that.

First of all, anybody who thinks stay-home parents don't work has never been a stay-home parent. Anybody who thinks you are getting a tax bonus by staying at home to raise your children is somebody who doesn't understand families too well, because most families make tremendous economic sacrifices to have one parent stay home with their children. Yet the President runs around and says when one of the parents doesn't work outside the home, they are getting a bonus. Forgoing income and sacrificing to raise children is only called a bonus in Washington, DC. In most places it is called parenting.

We want to eliminate the marriage penalty because we think there is one institution in America that is constantly starved for resources. It is not the Federal Government.

As many of our colleagues know, we are in the greatest spending spree of the Federal Government since Jimmy Carter was President. We are increasing money for all kinds of Government programs. The President would like to increase it faster, and he is concerned that, if we let families not pay a marriage penalty, that $1,400 per family they will spend instead of him, means that we will not have as much money for education, housing, or nutrition.

What the President forgets is, What are families going to spend this money on? If we eliminate the marriage penalty and let working couples keep $1,400 a year more, what are they going to spend it on? They are going to spend it on education, housing, and nutrition. The question is not about how much money we are going to spend on all these things we are for. The question is, Who is going to do the spending? Bill Clinton wants Washington to do the spending. We want the family to do the spending.

On the issue of one parent staying at home, this is something we have thought about, worked on, prayed over. Here is the decision we have reached. We don't think Government tax policy ought to have a say in the decision that parents make about working outside the home or staying in their homes. My mama worked my whole life when I was growing up because she had to. My wife has worked the whole while that we have had children because she wanted to.

We are not trying to make a value judgment as to what people ought to do. So basically we say we want to eliminate the marriage penalty, whether both parents work outside the home or whether only one does. We do not think we ought to have a tax policy that discourages a parent staying home, or encourages it. We think the Tax Code ought to be neutral.

So we have put together a proposal that eliminates the marriage penalty. The President says it helps rich people because, if you make over $21,925 a year, you get the benefit of our stretching the tax brackets. We do not believe that is what most people think of as rich.

Finally, to address the ''rich'' issue, our point is not about poor people or rich people or ordinary people. Our point is about penalizing marriage. If two people are poor and meet and fall in love, I want them to get married. If two people are rich and they meet and they fall in love and they want to get married, I don't want the tax code to discourage them from getting married. This is a question of right and wrong. It is not a question of rich and poor.

I don't understand why the President has to always pit people against each other based on how much money they make. I would have to say of all the things we do in debate in the Congress and in the American political system, the thing I dislike the most is this use of class struggle, where somehow we have people who claim to love capitalism, but appear to hate capitalists. They claim to want success, but seem to hate people who are successful. I, for one, do not understand it.

I want to repeal the marriage penalty for everybody. The plain truth is the bulk of the cost of eliminating the marriage penalty is for middle-income people. But I want to eliminate it for everybody because it is wrong.

Finally, if we did not eliminate all of it, what do we think would happen the first time we have a President and a Congress who want to raise taxes? We would be back down to the point where $21,925 is rich. So this is a very important debate.

This last week, and today, repealing the death tax, and on Monday, repealing the marriage penalty tax, represents the best 2 weeks that American families have had in a very long time. These are good policies. They are good because they are right. They are good because they are profamily. They are good because they recognize that families can spend money better than Government can. They are good because they represent the triumph of the individual and the family over the Government.

I have to say I wish that every American could have heard the debate on the death tax and on the marriage penalty. I would be willing to let this election and every election from now until the end of time be determined on these two issues and these two issues alone

because I think these two issues clearly define the difference between our two great parties.

I am against the death tax because I don't think death ought to be a taxable event. And I am against the marriage penalty because I am for love and I am for marriage and I don't want to tax it. And neither do the American people.

I thank my colleagues for their patience and I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Mr. President, I rise in support of this legislation. It is pretty tough to follow the Senator from Texas because the old professor gets going and he lays it out pretty good. Some of us never had the privilege of being a classroom professor and we strike out when we try to start making a point. But I want to offer a few remarks. I also want to offer an amendment at this time.

AMENDMENT NO. 3874

Mr. BURNS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BURNS] for himself, Mr. ABRAHAM, Mr. HATCH, Mr. CRAIG, Mr. KYL, Mr. BENNETT, Mr. FRIST, and Mr. GRAMM, proposes an amendment numbered 3874.

Mr. BURNS. 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:

(Purpose: To repeal the modification of the installment method)

At the end of ____, insert the following:

SEC. . REPEAL OF MODIFICATION OF INSTALLMENT METHOD.

(a) IN GENERAL.—Subsection (a) of section 536 of the Ticket to Work and Work Incentives Improvement Act of 1999 (relating to modification of installment method and repeal of installment method for accrual method taxpayers) is repealed effective with respect to sales and other dispositions occurring on or after the date of enactment of such Act.

(b) APPLICABILITY.—The Internal Revenue Code of 1986 should be applied and administered as if such subsection (and the amendments made by such subsection) had not been enacted.

Mr. BURNS. Mr. President, this is in essence S. 2005, the Installment Tax Correction Act of 2000. It has 41 cosponsors, as listed on the stand-alone bill, in the Senate. It is a very simple bill, but it is very important to small businesses, farmers, and people who sell their businesses and carry back some of the financing. As you know, whenever you sell your business, if you have capital gains, you pay the full capital gain on the sale price of that business. Yet your money may be returned to you in yearly installments. What this bill does, is provide an easier method to pay your capital gains tax. The amendment doesn't change the rate. It changes nothing. But it does allow you to pay your capital gains tax as you receive the money on installment.

We think this is more than fair. It doesn't put the seller at the disadvantage of having to go to the bank to borrow money in order to pay the capital gains tax whenever a business is sold.

I cannot add a lot to what the Senator from Texas has said about the marriage penalty. But I will tell you this, Joshua and Jody Hayes, of Billings, MT—two kids I have known for a long time, now pay $971 more in taxes just because they are married, rather than if they had remained single.

That is just one example. Mr. President, I still think when you start to look around this great country and you see the standard of living that generations, since this country's established, have created, it has been progressive. This is because we in this country live for the next generation. Most of us, being parents or grandparents, work for our kids. That is important. We want them to be better educated than we are. We want them to start with a little nest egg which they can invest. We want to start them on their careers, at a rung higher than we started.

I was interested in the explanation of the Senator from Texas that this President thinks if you make $25,000 a year, you are rich. I happen to remember the day that if I was making $25,000 I would have thought I was pretty rich. I have a daughter now who is starting her life career making more than I am making now. I find that pretty mind-boggling.

Nonetheless, we have always worked for our kids. While we have done that, we have elevated the standard of living for more Americans than any other society on the face of the planet. Now we have found a way to tax it.

That tax comes from families—a mom, a dad, a grandma, and a grandpa. Say you have a young family and are trying to pay for a home and saving money to send their kids to school—there are more than enough things going on. You should not have to be penalized by the tax man. Some 21 million couples nationwide pay $1,400 or more a year in income taxes. Now to some people that's not a lot of money, but I know a lot of folks who think it is a lot of money.

I urge the passage of this legislation, and I also hope this body will look with favor on the amendment I have sent to the desk which helps small businesses and farmers.

Mr. President, I yield the floor.

AMENDMENT NO. 3852, AS MODIFIED

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, amendment No. 3852 is pending. I ask a technical correction be allowed. It has been shown to the majority. It appears on page 3, changing the numbers from "9" to "25."

The PRESIDING OFFICER. Is there objection to the modification?

Without objection, it is so ordered.

The amendment is so modified.

The amendment, as modified, is as follows:

At the end, add the following:

SEC. ___. CREDIT FOR EMPLOYEE HEALTH INSURANCE EXPENSES.

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

"SEC. 45D. EMPLOYEE HEALTH INSURANCE EXPENSES.

"(a) GENERAL RULE.—For purposes of section 38, in the case of a small employer, the employee health insurance expenses credit determined under this section is an amount equal to the applicable percentage of the amount paid by the taxpayer during the taxable year for qualified employee health insurance expenses.

"(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a)—

"(1) IN GENERAL.—Except as provided in paragraph (2), the applicable percentage is equal to—

"(A) 25 percent in the case of self-only coverage, and

"(B) 35 percent in the case of family coverage (as defined in section 220(c)(5)).

"(2) FIRST YEAR COVERAGE.—

"(A) IN GENERAL.—In the case of first year coverage, paragraph (1) shall be applied by substituting '60 percent' for '25 percent' and '70 percent' for '35 percent'.

"(B) FIRST YEAR COVERAGE.—For purposes of subparagraph (A), the term 'first year coverage' means the first taxable year in which the small employer pays qualified employee health insurance expenses but only if such small employer did not provide health insurance coverage for any qualified employee during the 2 taxable years immediately preceding the taxable year.

"(c) PER EMPLOYEE DOLLAR LIMITATION.—The amount of qualified employee health insurance expenses taken into account under subsection (a) with respect to any qualified employee for any taxable year shall not exceed—

"(1) $1,800 in the case of self-only coverage, and

"(2) $4,000 in the case of family coverage (as so defined).

"(d) DEFINITIONS.—For purposes of this section—

"(1) SMALL EMPLOYER.—

"(A) IN GENERAL.—The term 'small employer' means, with respect to any calendar year, any employer if such employer employed an average of 25 or fewer employees on business days during either of the 2 preceding calendar years. For purposes of the preceding sentence, a preceding calendar year may be taken into account only if the employer was in existence throughout such year.

"(B) EMPLOYERS NOT IN EXISTENCE IN PRECEDING YEAR.—In the case of an employer which was not in existence throughout the 1st preceding calendar year, the determination under subparagraph (A) shall be based on the average number of employees that it is reasonably expected such employer will employ on business days in the current calendar year.

"(2) QUALIFIED EMPLOYEE HEALTH INSURANCE EXPENSES.—

"(A) IN GENERAL.—The term 'qualified employee health insurance expenses' means any amount paid by an employer for health insurance coverage to the extent such amount is attributable to coverage provided to any employee while such employee is a qualified employee.

"(B) EXCEPTION FOR AMOUNTS PAID UNDER SALARY REDUCTION ARRANGEMENTS.—No amount paid or incurred for health insurance

coverage pursuant to a salary reduction arrangement shall be taken into account under subparagraph (A).

''(C) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' has the meaning given such term by section 9832(b)(1).

''(3) QUALIFIED EMPLOYEE.—

''(A) IN GENERAL.—The term 'qualified employee' means, with respect to any period, an employee of an employer if the total amount of wages paid or incurred by such employer to such employee at an annual rate during the taxable year exceeds $5,000 but does not exceed $16,000.

''(B) TREATMENT OF CERTAIN EMPLOYEES.—For purposes of subparagraph (A), the term 'employee'—

''(i) shall not include an employee within the meaning of section 401(c)(1), and

''(ii) shall include a leased employee within the meaning of section 414(n).

''(C) WAGES.—The term 'wages' has the meaning given such term by section 3121(a) (determined without regard to any dollar limitation contained in such section).

''(D) INFLATION ADJUSTMENT.—

''(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2000, the $16,000 amount contained in subparagraph (A) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1999' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING.—If any increase determined under clause (i) is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100.

''(e) CERTAIN RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of section 52 shall apply.

''(f) DENIAL OF DOUBLE BENEFIT.—No deduction or credit under any other provision of this chapter shall be allowed with respect to qualified employee health insurance expenses taken into account under subsection (a).''

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

''(13) the employee health insurance expenses credit determined under section 45D.''

(c) NO CARRYBACKS.—Subsection (d) of section 39 of the Internal Revenue Code of 1986 (relating to carryback and carryforward of unused credits) is amended by adding at the end the following:

''(9) NO CARRYBACK OF SECTION 45D CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the employee health insurance expenses credit determined under section 45D may be carried back to a taxable year ending before the date of the enactment of section 45D.''

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''Sec. 45D. Employee health insurance expenses.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after the date of the enactment of this Act.

AMENDMENT NO. 3858, WITHDRAWN

Mr. REID. Mr. President, I ask that the LAUTENBERG amendment No. 3858 be withdrawn.

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

AMENDMENT NO. 3875

Mr. REID. Mr. President, I ask unanimous consent that the pending amendment be set aside for the purpose of offering an amendment for Senator HOLLINGS.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. HOLLINGS, proposes an amendment numbered 3875.

Mr. REID. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike beginning with ''Marriage Tax Relief Reconciliation Act of 2000'' through the end of the bill.

Mr. REID. Mr. President, I ask unanimous consent that the amendment be set aside.

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

AMENDMENT NO. 3876

(Purpose: To amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction, to increase, expand, and simplify the child and dependent care tax credit, to expand the adoption credit for special needs children, to provide incentives for employer-provided child care, and for other purposes)

Mr. REID. Mr. President, I send an amendment to the desk on behalf of Senator DODD.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. DODD, proposes an amendment numbered 3876.

Mr. REID. Mr. President, I ask unanimous consent that the 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.'')

Mr. REID. Mr. President, I ask unanimous consent that the amendment be set aside for further business of the Senate.

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

Mr. DORGAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

UNANIMOUS CONSENT AGREEMENT—H.R. 4516

Mr. ROTH. Mr. President, I ask unanimous consent that when the Senate considers H.R. 4516, the legislative branch appropriations bill, after the Senate amendment has been offered, Senator BOXER be recognized to offer her pesticide amendment; that she be recognized to speak for 5 minutes on the amendment, and the amendment be agreed to after her remarks; and that the Senate proceed to adopt Senate amendment as follows:

On page 2 after ''Title 1 Congressional Operations'' insert page 2, line 6, of S. 2603, as amended, through page 13, line 14;

On page 8, line 8, of H.R. 4516 strike through line 12, page 23; insert line 15, page 13, of S. 2603 through line 11, page 23;

In H.R. 4516, strike line 17, page 23, through line 6, page 45; insert line 12, page 23, of S. 2603 through line 17, page 76.

Finally, I ask unanimous consent that the bill then be read the third time and passed, the Senate insist on its amendments, request a conference with the House, and the Chair be authorized to appoint conferees on the part of the Senate.

Mr. REID. We have no objection.

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

ESTABLISHING SOURCING REQUIREMENTS FOR STATE AND LOCAL TAXATION OF MOBILE TELECOMMUNICATION SERVICES

Mr. ROTH. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of H.R. 4391, which is at the desk.

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

The legislative clerk read as follows:

A bill (H.R. 4391) to amend title 4 of the United States Code to establish sourcing requirements for State and local taxation of mobile telecommunication services.

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

Mr. BROWNBACK. Mr. President, I am delighted to hail today the passage of the Mobile Telecommunications Sourcing Act. This legislation is the product of more than three year's worth of negotiations between the governors, cities, State tax and local tax authorities, and the wireless industry.

The legislation represents an historic agreement between State and local governments and the wireless industry to bring sanity to the manner in which wireless telecommunications services are taxed.

For as long as we have had wireless telecommunications in this country, we have had a taxation system that is incredibly complex for carriers and costly for consumers. Today, there are several different methodologies that determine whether a taxing jurisdiction may tax a wireless call.

If a call originates at a cell site located in a jurisdiction, it may impose a tax. If a call originates at a switch in the jurisdiction, a tax may be imposed. If the billing address is in the jurisdiction, a tax can be imposed.

As a result, many different taxing authorities can tax the same wireless call. The farther you travel during a call, the greater the number of taxes that can be imposed upon it.

This system is simply not sustainable as wireless calls represent an increasingly portion of the total number of calls made throughout the United States. To reduce the cost of making wireless calls, Senator DORGAN and I introduced S. 1755, the Mobile Telecommunications Sourcing Act. The bill we pass today that we received from the House is substantively identical to our bill. While the current bill amends title 4 rather than title 47 and represents the drafting style of the House rather than the Senate, the legislation uses our language to accomplish our mutual goal.

The legislation would create a nationwide, uniform system for the taxation of wireless calls. The only jurisdictions that would have the authority to tax mobile calls would be the taxing authorities of the customer's place of primary use, which would essentially be the customer's home or office.

By creating this uniform system, Congress would be greatly simplifying the taxation and billing of wireless calls. The wireless industry would not have to keep track of multiple taxing laws for each wireless transaction. State and local taxing authorities would be relieved of burdensome audit and oversight responsibilities without losing the authority to tax wireless calls. And, most importantly, consumers would see reduced wireless rates and fewer billing headaches.

The Mobile Telecommunications Sourcing Act is a win-win-win. It's a win for industry, a win for government, and a win for consumers. I thank Senator DORGAN for working with me in crafting our bill. And I would like to commend the House for sending the Senate the bill before us. And, most of all, I thank the groups outside of Congress for coming together and reaching agreement on this important issue.

Mr. President, I ask unanimous, consent that Senator DORGAN and I be permitted to enter into a colloquy.

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

Mr. DORGAN. I wanted to ask the Senator from Kansas about the bill currently before the Senate, H.R. 4391, the Mobile Telecommunications Sourcing Act, which passed the House unanimously on Tuesday. Is this bill similar to S. 1755, the Mobile Telecommunications Sourcing Act, legislation that the Senator and I introduced last year that is currently on the Senate calendar?

Mr. BROWNBACK. The Senator from North Dakota is correct. H.R. 4391 is substantively identical to S. 1755, which the Senator and I introduced last year, which is co-sponsored by every member of the Senate Commerce Committee, which was reported unanimously by the Senate Commerce Committee to the Senate, and for which the Senate Commerce Committee filed Senate Report No. 106–326.

Mr. DORGAN. How does H.R. 4391 differ from S. 1755?

Mr. BROWNBACK. H.R. 4391 amends title 4 of the U.S. Code, whereas S. 1755 amends title 47. H.R. 4391 reflects the drafting style of the House, whereas S. 1755 reflects the drafting style of the Senate. H.R. 4391 deleted the findings incorporated in section 2 of S. 1755. H.R. 4391 also changed the order in which the definitions appear in S. 1755. There are no substantive differences between S. 1755 and H.R. 4391. Therefore, H.R. 4391 and S. 1755 are substantively identical.

Mr. DORGAN. I thank the Senator from Kansas.

Mr. ROTH. Mr. President, I ask unanimous consent the bill 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 bill (H.R. 4391) was read the third time and passed.

ORDERS FOR MONDAY, JULY 17, 2000

Mr. ROTH. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 12 noon on Monday, July 17. I further ask consent that on Monday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then begin a period of morning business, with Members permitted to speak for up to 10 minutes each, with the following exceptions: Senator BYRD, from 12 noon to 2 p.m.; Senator THOMAS or his designee, from 2 p.m. to 3 p.m.

Mr. REID. No objection.

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

PROGRAM

Mr. ROTH. Following morning business, the Senate will resume the Interior appropriations bill under the previous consent, with several amendments to be offered and debated throughout the day. However, any votes ordered with respect to the Interior bill will occur at 9:45 a.m. on Tuesday, July 18. As a reminder, there will be votes on the reconciliation bill on Monday at 6:15 p.m. This will include votes on amendments as well as on final passage of this important tax legislation.

MARRIAGE TAX PENALTY RELIEF RECONCILIATION ACT OF 2000—Continued

Mr. REID. Mr. President, if I could alert the Senator from Delaware, we just received a phone call that perhaps—we do not know yet—Senator KENNEDY may want to second degree an amendment offered by Senator ABRAHAM. We would have the same agreement we had this morning. If the majority decides they want to file their second degree, they would have that right to do so, also.

Mr. ROTH. That is satisfactory.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, when I entered the Chamber a few moments ago, one of our colleagues was speaking, and he, as I best understood it, came out in favor of love, in favor of marriage, and in opposition to taxing death. And I thought to myself, that is an interesting bit of debate.

But one has to look at the public policies being espoused by those who are describing those positions to understand exactly how much they favor love and marriage and exactly how much they want to do with respect to our public laws and our Tax Code dealing with the taxing of death.

So I thought maybe I could just, for a couple minutes, comment on that. And then I want to talk about the various tax penalties and about an amendment that I am going to offer today.

In the Wall Street Journal of today, there is an op-ed piece written by Mr. George Soros, one of the more noted American financiers. He is chairman of the Soros Fund Management. I have no idea what Mr. Soros is worth, but suffice it to say that Mr. Soros is one of the more successful American entrepreneurs and financial gurus. He has made a substantial amount of money, and has been known as a very successful businessman. Here is what he writes in the Wall Street Journal of today. Mr. George Soros writes:

> Supporters of repealing the estate tax say the legislation would save family farms and businesses and lift a terrible and unfair burden. I happen to be fortunate enough to be eligible for the tax benefits of this legislation, and so I wish I could convince myself to believe the proponents' rhetoric. Unfortunately, it just isn't so. The truth is that repealing the estate tax would give a huge tax windfall to the wealthiest 2 percent of Americans. It would provide an average tax cut of

more than $7 million to taxpayers who inherit estates worth more than $10 million.

His last paragraph, in an op-ed piece I would commend to those who might want to get the Wall Street Journal today:

So I say to the Republican leaders of Congress, thanks for thinking of me—but no thanks. Please keep the estate tax in place, and use the proceeds where it will really count: to better the lives not of people who have already realized the American dream but of people still seeking to achieve it.

That is from George Soros.

As you know, there was not a disagreement about whether to repeal the estate tax in a way that would protect the passage of family farms and small businesses from parents to children. There was no debate about that.

We proposed a piece of legislation that would have provided up to $8 million of value in a family farm or a small business—neither of which, incidentally, would be very small if they reached that $8 million mark—but they could be passed without one penny of estate tax from parents to children.

We proposed repealing the estate tax on the transfer of almost all small businesses and family farms in this country. That is what we proposed. The other side said: No, that is not enough. What we want you to do is repeal the estate tax for the largest estates in America, those worth hundreds of millions of dollars, those worth billions of dollars.

They said: No, we want to provide the 400 wealthiest families in America, according to Forbes magazine, up to $250 billion in tax cuts, by removing the estate tax on the wealthiest estates in America.

Now comes one of America's preeminent financiers, who has made a fair amount of that money, saying: Thanks, but no thanks. That would not be a fair way to do it.

I think it is important, not only as we talk about the repeal of the estate tax, which we just had a significant debate on, and now talking about the marriage tax penalty and trying to provide some relief there, to talk about who is going to benefit from these proposals. Who will benefit?

Repealing the estate tax on the largest estates in this country—a country in which our economy has done so well and so many Americans have done so well; a country in which one-half of the world's billionaires live—repealing the estate tax burden on the largest estates worth hundreds of millions and billions of dollars, is obviously a tax break for the very wealthiest Americans.

Instead of using the money for that kind of tax relief, what about some tax relief for the people who go to work every day and pay a payroll tax on minimum income? What about the folks who could use a middle-income tax cut by perhaps having a tax credit for the tuition they are paying to send their kids to college? Or perhaps what about using that money to reduce the Federal debt?

What about using that money to put a prescription drug benefit in the Medicare program?

There are a whole series of alternatives one might consider in evaluating how we might want to use this money. I come down in favor of using some of it to reduce the Federal debt. What greater gift to America's children than to reduce our Federal debt during good times. If, during tough times, we run up the Federal debt because we must, then during good times let's pay down the Federal debt. That should be a priority use of funds that are available.

We had a debate this week about the estate tax. The majority party said: We demand that the estate tax be repealed in its entirety.

We said: No, what we think we should do is repeal the estate tax for a modest amount of income, accumulation of income over the lifetime of a family, and we proposed up to $4 million. That is more than modest and more than most families will ever see. We proposed an $8 million exemption for the passage of a small business and a family farm.

The majority party said: That is not enough. We insist on more relief. We insist on relief for the biggest estates in America.

That is where we disagreed. That is why at the end of this we have a bill that passed the Senate that will certainly be vetoed by the President, and the veto will certainly be sustained by the Senate.

Now the question is the marriage tax penalty. There is no disagreement in this Chamber about the marriage tax penalty. We should eliminate it. Let me give an example of what is done with the marriage tax penalty. This is very simple, but it illustrates the problem.

A husband and wife making $35,000 each have a combined income of $70,000. In the present circumstance, if they filed as single taxpayers and they were unmarried, they would pay about $8,407 combined in income taxes. But because they are married and file a joint return, they pay $9,532. Therefore, because they are married, these two individuals pay about $1,125 more in taxes. That is called the marriage penalty. We should eliminate that, of course. Let's do that.

The majority party has offered a piece of legislation that in this circumstance would give $443 worth of relief. The couple had a $1,125 penalty, and they only give $443 in relief. We have offered a proposal that says let's eliminate the marriage tax penalty simply, effectively, and completely.

How would we do that? We would say to these people: File your income return as you choose, as married filing jointly or as individuals. You choose. You can file separately or jointly.

It will eliminate all of the marriage tax penalty. That is what we propose.

If I might use one additional chart that shows the difference, we allow all married couples to file separately or jointly. They make the decision. They can make the decision that would abolish any marriage tax penalty that exists in their circumstance. That is not true of the plan offered by the majority. If we eliminate all marriage penalty taxes for taxpayers earning $100,000 or less, if we reduce all penalties from $100,000 to $150,000; why don't we do it all the way up to people who are making $10 million or $20 million?

The reason is this distribution chart. As is the case with the estate tax repeal and now with the marriage tax penalty, most of the benefit of this proposal will go to a very small percent of the taxpayers. Nearly 80 percent of the benefit of the majority party's proposal to reduce the marriage tax penalty will accrue to the top 20 percent of taxpayers, and the bottom 80 percent of the taxpayers will get less than one-fourth of the benefit. That is the problem, once again.

I think there is substantial agreement in this Chamber about goals. If our goal is to eliminate the estate tax for the passage of small businesses and family farms, let's do that. We can do that together. We have proposed that. Join us. Don't continue to insist that we eliminate the estates tax for the largest estates in the country. There is a better use for those revenues.

If the proposition is, let's eliminate the marriage tax penalty, we say fine. Join us. Do it the simple way. Allow people to file either as individuals, separately, or as married couples filing jointly. Their choice. That will eliminate all of the marriage tax penalty.

The majority plan only eliminates about three categories of marriage tax penalty when, in fact, there are more than 60. We say, on these issues, while we philosophically agree on part of them, let's join together and do this.

Of course, what we have discovered is there are some who would much prefer to have a political issue than to have legislation passed. The result is, they want to send it to the White House and have the President veto it.

We could have had at the end of this week a very substantial exemption of the estate tax so that almost no small business or family farm would ever have been ensnared in the web of the estate tax. Why aren't we doing that? Because the majority party insisted on passing a complete repeal of the estate tax which was going to cost a substantial amount of money in a manner that would give the largest estates the biggest tax benefit. That is not fair and not the right thing to do.

I hope as we finish this reconciliation bill and move to other appropriations bills and also deal now in July, and especially September and October, with a range of these issues, that we find a way to pass legislation that represents the best of what both political parties have to offer. Instead of getting the best of both, we often get the worst of each because there is so much energy fighting each other's proposals that we

forget that there is philosophical agreement.

Yes, there is a marriage tax penalty. Yes, we ought to take action to remove it and eliminate it. There is no reason at all that we couldn't do it together. There is more common interest here than most people think. I hope in the coming weeks we can find ways that we can bridge the gap across the political aisle in the Senate and send the President some good legislation.

AMENDMENT NO. 3877

Mr. DORGAN. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN] proposes an amendment numbered 3877.

Mr. DORGAN. 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:

(Purpose: To amend the Internal Revenue Code of 1986 to treat payments under the Conservation Reserve Program as rentals from real estate, expand the applicability of section 179 expensing, provide an exclusion for gain from the sale of farmland, and allow a deduction for 100 percent of the health insurance costs of self-employed individuals)

At the end, add the following:

SEC. 7. TREATMENT OF CONSERVATION RESERVE PROGRAM PAYMENTS AS RENTALS FROM REAL ESTATE.

(a) IN GENERAL.—Section 1402(a)(1) of the Internal Revenue Code of 1986 (defining net earnings from self-employment) is amended by inserting ''and including payments under section 1233(2) of the Food Security Act of 1985 (16 U.S.C. 3833(2))'' after ''crop shares''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made before, on, or after the date of the enactment of this Act.

SEC. 8. EXPANSION OF EXPENSING TREATMENT FOR SMALL BUSINESSES.

(a) ACCELERATION OF INCREASE IN DOLLAR LIMIT.—Section 179(b)(1) of the Internal Revenue Code of 1986 (relating to dollar limits on expensing treatment) is amended to read as follows:

''(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $25,000.''

(b) EXPENSING AVAILABLE FOR ALL TANGIBLE DEPRECIABLE PROPERTY.—Section 179(d)(1) of the Internal Revenue Code of 1986 (defining section 179 property) is amended by striking ''which is section 1245 property (as defined in section 1245(a)(3)) and''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 9. EXCLUSION OF GAIN FROM SALE OF CERTAIN FARMLAND.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by adding after section 121 the following new section:

''SEC. 121A. EXCLUSION OF GAIN FROM SALE OF QUALIFIED FARM PROPERTY.

''(a) EXCLUSION.—In the case of a natural person, gross income shall not include gain from the sale or exchange of qualified farm property.

''(b) LIMITATION ON AMOUNT OF EXCLUSION.—

''(1) IN GENERAL.—The amount of gain excluded from gross income under subsection (a) with respect to any taxable year shall not exceed $500,000 ($250,000 in the case of a married individual filing a separate return), reduced by the aggregate amount of gain excluded under subsection (a) for all preceding taxable years.

''(2) SPECIAL RULE FOR JOINT RETURNS.—The amount of the exclusion under subsection (a) on a joint return for any taxable year shall be allocated equally between the spouses for purposes of applying the limitation under paragraph (1) for any succeeding taxable year.

''(c) QUALIFIED FARM PROPERTY.—

''(1) QUALIFIED FARM PROPERTY.—For purposes of this section, the term 'qualified farm property' means real property located in the United States if, during periods aggregating 3 years or more of the 5-year period ending on the date of the sale or exchange of such real property—

''(A) such real property was used as a farm for farming purposes by the taxpayer or a member of the family of the taxpayer, and

''(B) there was material participation by the taxpayer (or such a member) in the operation of the farm.

''(2) DEFINITIONS.—For purposes of this subsection, the terms 'member of the family', 'farm', and 'farming purposes' have the respective meanings given such terms by paragraphs (2), (4), and (5) of section 2032A(e).

''(3) SPECIAL RULES.—For purposes of this section, rules similar to the rules of paragraphs (4) and (5) of section 2032A(b) and paragraphs (3) and (6) of section 2032A(e) shall apply.

''(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsection (e) and subsection (f) of section 121 shall apply.''

(b) CONFORMING AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by adding after the item relating to section 121 the following new item:

''Sec. 121A. Exclusion of gain from sale of qualified farm property.''

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to any sale or exchange on or after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 10. FULL DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Section 162(l)(1) of the Internal Revenue Code of 1986 (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, the taxpayer's spouse, and dependents.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

Mr. DORGAN. Mr. President, I will explain what this amendment is.

If on the floor of the Senate we are discussing a reconciliation bill that carries reductions in taxation, especially, in this circumstance, the elimination of the marriage tax penalty, I want to have considered several other pieces of tax law that I think are long overdue for consideration. This particular amendment combines four ideas.

One, we have a current problem with virtually all farmers in this country who are receiving income from their conservation reserve program acres. The Internal Revenue Service has now decided that income is from self-employment and therefore subject to self-employment tax. That is one of the goofiest interpretations of tax law I have ever heard, but nonetheless that is the IRS's position. They have the opportunity to make it stick unless we tell them that is not what we intended; that is not the way the law ought to be read. That is not the way Congress intended it, so we will legislate to tell the IRS how they ought to view this issue.

It is clear that the conservation reserve program, for which the Federal Government gives payments to farmers for the retirement of certain acreage into conservation, is not self-employment income and therefore subject to self-employment taxes. Yet that is exactly the way the IRS has ruled. All farmers across this country are going to get caught in this web. We must fix it. That is one provision.

The second is a provision that applies to expensing opportunities for small business. Under current law, small businesses can generally expense or immediately deduct up to $20,000 of the cost of equipment and other items. This maximum amount will increase to $25,000 over the next several years. I propose that we allow, under those expensing provisions, opportunities for small businesses to fix up their storefronts on Main Streets. Many of our small towns desperately need reinvestment in the storefronts on Main Street. They are 50, 60, 70 years old. Yet when they do that these days, small businesses find they must depreciate the costs of those investments over 39 years for tax purposes. They ought to be able to expense that under the expensing provisions. My proposal would allow that to happen.

The third proposal in this amendment fixes a problem with the issue of capital gains exclusions. If you are in a town someplace and you sell a home, you know there is an exclusion of up to $500,000 on all capital gains on the sale of that home. If you go out of town 15 miles and run a family farm someplace, your house has zero value except that value to which it inures to the farm you are farming. So if you sell that house, you sell it for almost nothing. The only value that home has is the ability for somebody to live in that home and operate farm equipment around that farmstead.

The fact is, when farmers sell their home and their home quarter, they are not able to take advantage of the capital gains exclusion that the folks in town are taking advantage of when they sell their home. I would fix that in this legislation, as well, to give farmers that opportunity.

Fourth, my amendment provides for the full deductibility immediately of

health insurance costs for the self-employed. There is no excuse in this country to have a business on one side of Main Street be able to deduct only a fraction of their health insurance costs as a business expense and a corporation across the street that can deduct 100 percent of that as a business expense. That is not fair. Both parties have been working to try to bridge that gap. All of us have talked about that—Republicans and Democrats—for some long while. We are making progress in closing the gap. Well, let's not just make progress, let's just close it and say self-employed will be treated exactly the same as large corporations. If you have health insurance costs for your employees in a business, it is a business expense and it ought to be fully deductible, and it ought to be fully deductible right now.

Those are the four provisions I have offered to this reconciliation bill, and I hope for its consideration next week.

As I conclude, we are not talking about tax issues. We have, according to economists, some good years ahead of us. The best economists in this country can't see beyond a few months. God bless them, and I don't mean to speak ill of them when I talk about economists this way. As I have said, I actually taught economics for a couple of years in college, but I was able to overcome that experience and go on to other things.

Economists can't see very far into the future. They just can't. Adam Smith, one of the great economists, of course, in modern history, they say, used to get lost walking home; he could not find his home. God bless his memory as well. We are told now by economists today—the best in the country—that the next 10 years is likely to bring unprecedented economic growth, with 10 years of surpluses. I don't have any idea whether that will be the case. I hope it is. It would be terrific. But I don't know, nor do economists.

The year before the last recession in this country, 35 of the 40 leading economists predicted the next year would be a year of continued economic growth. So 35 of the 40 leading economists had no idea what would happen in the next year. The same is true with respect to the future that we now discuss. We don't know what is going to happen. If we are fortunate enough to have continued, recurring budget surpluses, then we ought to begin this discussion about tax reductions. Yes, I think there is room for some tax cuts, but the question is, What kind and who benefits from them?

We ought to begin the discussion about tax cuts relative to other issues: Reducing the Federal debt, providing a prescription drug program under Medicare, and a range of other needs in this country, including our investment in education, which represents our real future. We can do all of these things this month and in September and in the first half of October, before this Congress finishes its work.

I think, in many ways, there are more common interests among Members of the Senate than most people realize. We can accomplish a lot of things together, and we ought to do more of that in the coming months. I hope to work on this range of issues. We are talking about the estate tax and the marriage tax penalty which, combined in the second 10 years, cost about $1 trillion in lost revenue. We have to evaluate this relative to other needs and interests—the needs, especially, of working families. It is true that we have had a wonderful economy and a robust bit of economic growth. But it is also true that some people have not benefited so much in this economy. We need to worry about them as well.

Having said all of that, I look forward to the coming several months. I know this is an election year, a political year. But this country has much to be thankful for, and there is much to be gained by having an aggressive, robust debate about the future, the projected surplus, about our tax system, the needs in the Medicare program, prescription drug prices, and a whole range of issues that are important to most families.

When they sit around their supper tables in this country, families are asking these basic questions: What kind of a job do I have? What kind of income do I get paid? Do I have security in my job? What kind of health care do I have for my kids? Do my parents get adequate health care? Do we live in a safe neighborhood? What about the issue of crime? All of those issues are important. Do we send our kids to a good school? When our kids walk through the door of the school, are we proud of the classroom and the teachers? Are we committing enough resources to make sure the kids are getting the best education they can get?

Those are the issues that people are concerned about and that ought to be the center of our discussion in the coming 3 and a half or 4 months, before America makes political choices once again in this election.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Mr. President, I will soon send two amendments to the desk on behalf of Senator WELLSTONE. This has been cleared with the majority.

Under the order, he is only entitled to offer one amendment on this subject. I ask unanimous consent that he be allowed to withdraw one of these amendments on Monday.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENTS NOS. 3879 AND 3880, EN BLOC

Mr. REID. Mr. President, I send two amendments to the desk, en bloc.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for Mr. WELLSTONE, proposes amendments numbered 3879 and 3880, en bloc.

Mr. REID. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 3879

(Purpose: To express the sense of the Senate regarding the restoration of reductions in payments under the medicare program caused by the Balanded Budget Act of 1997)

At the end, add the following:

SEC. ___. SENSE OF THE SENATE REGARDING REDUCTIONS IN MEDICARE PAYMENTS RESULTING FROM THE BALANCED BUDGET ACT.

(a) FINDINGS.—The Senate finds the following:

(1) Since its passage, the Balanced Budget Act of 1997 (Public Law 105–133; 111 Stat. 251) has drastically cut payments under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) in the areas of hospital services, home health sevices, skilled nursing facility services, and other services.

(2) While the reductions were originally estimated at around $100,000,000,000 over 5 years, recent figures put the actual cuts in payments under the medicare program at over $200,000,000,000.

(3) These cuts are not without consequence, and have caused medicare beneficiaries with medically complex needs to face increased difficulty in accessing skilled nursing care. Furthermore, in a recent study on home health care, nearly 70 percent of hospital discharge planners surveyed reported a greater difficulty obtaining home health services for medicare beneficiaries as a result of the Balanced Budget Act of 1997.

(4) In the area of hospital care, a 4 percentage point drop in rural hospitals' inpatient margins continues a dangerous trend that threatens access to health care in rural America.

(5) With passage of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A–372), as enacted into law by section 1000(a)(6) of Public Law 106–113, Congress and the President took positive steps toward fixing some of the Balanced Budget Act of 1997's unintended consequences, but this relief was limited to just 10 percent of the actual cuts in payments to provider caused by the Balanced Budget Act of 1997.

(6) Expeditious action is required to provide relief to medicare beneficiaries and health care providers.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) by the end of the 106th Congress, Congress should revisit and restore a substantial portion of the reductions in payments under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) to providers caused by enactment of the Balanced Budget Act of 1997 (Public Law 105–133; 111 Stat. 251); and

(2) if Congress fails to restore a substantial portion of the reductions in payments under the medicare program to health care providers caused by enactment of the Balanced Budget Act of 1997, then Congress should pass legislation that directs the Secretary of Health and Human Services to administer title XVIII of the Social Security Act as if a 1-year moratorium for fiscal year 2001 were placed on all reductions in payments to health care providers that were a result of the Balanced Budget Act of 1997.

AMENDMENT NO. 3880

(Purpose: To express the sense of the Senate regarding the restoration of reductions in payments under the medicare program caused by the Balanded Budget Act of 1997)

At the end, add the following:

SEC. ___. SENSE OF THE SENATE REGARDING REDUCTIONS IN MEDICARE PAYMENTS RESULTING FROM THE BALANCED BUDGET ACT OF 1997.

(a) FINDINGS.—The Senate finds the following:

(1) Since its passage, the Balanced Budget Act of 1997 (Public Law 105–133; 111 Stat. 251) has drastically cut payments under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) in the areas of hospital services, home health sevices, skilled nursing facility services, and other services.

(2) While the reductions were originally estimated at around $100,000,000,000 over 5 years, recent figures put the actual cuts in payments under the medicare program at over $200,000,000,000.

(3) These cuts are not without consequence, and have caused medicare beneficiaries with medically complex needs to face increased difficulty in accessing skilled nursing care. Furthermore, in a recent study on home health care, nearly 70 percent of hospital discharge planners surveyed reported a greater difficulty obtaining home health services for medicare beneficiaries as a result of the Balanced Budget Act of 1997.

(4) In the area of hospital care, a 4 percentage point drop in rural hospitals' inpatient margins continues a dangerous trend that threatens access to health care in rural America.

(5) With passage of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A–372), as enacted into law by section 1000(a)(6) of Public Law 106–113, Congress and the President took positive steps toward fixing some of the Balanced Budget Act of 1997's unintended consequences, but this relief was limited to just 10 percent of the actual cuts in payments to provider caused by the Balanced Budget Act of 1997.

(6) Expeditious action is required to provide relief to medicare beneficiaries and health care providers.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that by the end of the 106th Congress, Congress should revisit and restore a substantial portion of the reductions in payments under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) to providers caused by enactment of the Balanced Budget Act of 1997 (Public Law 105–133; 111 Stat. 251).

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. LEVIN. Mr. President, I ask unanimous consent to be allowed to proceed in morning business for up to 15 minutes.

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

DEATH TAX ELIMINATION ACT

Mr. LEVIN. Mr. President, I want to spend a few moments this afternoon to explain why I opposed the Republican proposal to repeal the Federal estate tax and why I supported the alternative Democratic proposal to provide relief in the estate tax for those who, in any judgment, need it the most, that is, small businesses, family farms, and those who are more modestly situated than those who would receive the most of the relief under the Republican proposal.

The current estate tax was first enacted by Congress in 1916, partly at the behest of President Teddy Roosevelt. Teddy Roosevelt was right; it is appropriate for there to be an estate tax on those who prosper so greatly in the American economic system in order to provide some assistance to those who have worked hard but have fallen behind and in order also to do some things we must do in order to improve our society and our communities. That is the basic tenet of a progressive system of taxation.

I think President Teddy Roosevelt was also correct that the tax should not be designed in such a way as to discourage people from seeing to it that their children are more secure but, rather, it should be aimed at immense fortunes which have been created.

That is why I supported the Democratic proposal to reform the estate tax to provide prompt relief to small business owners and farmers rather than voting for the Republican proposal which would have repealed it more slowly over the next 10 years but then would have totally repealed it for even the greatest portion.

The Democratic proposal targets tax relief to persons with estates, small businesses, and family farms of up to $8 million. By increasing the exemption for qualified family-owned business interests from its current level of $2.6 million per couple to $4 million per couple in 2001 and $8 million per couple in 2009, the Democratic alternative provides significant immediate relief and then removes altogether the tax for the vast majority of the 2 percent of family farms and small businesses that are currently subject to the tax.

In contrast, the Republican plan removes no one from the estate tax burden totally for another 10 years but then removes even the largest estate completely at huge costs to the Treasury.

In addition to providing relief immediately, the Democratic proposal does so at a more reasonable cost—$64 billion over 10 years—compared to $105 billion for the Republican repeal. This $40 billion difference can and should go to other important national priorities, such as a prescription drug benefit for Medicare, making a college education more affordable, extending Medicare solvency, or reducing the national debt.

The Republican repeal would cost much more than that because in the second 10 years—from 2011 to 2020, the same decade in which the baby boomers begin to retire and place strains on the Medicare system and on Social Security—the repeal is estimated to cost up to $750 billion.

That is what these two charts show. There is a significant revenue loss from the Republican repeal, starting in 2010 at the rate of about $23 billion a year, going up to $53 billion a year in 2015, and then $66 billion a year in 2020, $82 billion in 2025, and so forth.

That kind of severe strain on the Treasury begins in about the year 2010—that is, at the same time when there is a great demand on the Treasury to make payments to Social Security. Until about 2012, Social Security is in surplus. But then in about 2012, Social Security takes in less than it is paying out, and the Treasury from the general fund must begin to pay back to Social Security a part of the debt which has been built up for Social Security. Those payments significantly increase, starting in the near 2015 from $12 billion a year, to $183 billion in 2020, to $416 billion a year in 2025, and so forth.

That is one of the major problems with the estate tax proposal the Republican majority offered—that the drain it is going to place on the Treasury, the loss to the Treasury, begins to hit severely at precisely the same time, or at least approximately the same time, as there is a significant shortfall for Social Security and when payments must be paid from the Treasury to Social Security if we are going to keep our promise to those who retire in those years.

I believe taxes should be distributed fairly among all Americans. To give a huge tax cut to the wealthiest among us at the expense of important national priorities for the rest of us, at the risk of not being able to pay what is required to Social Security recipients, what is committed to be paid to them, and what was promised to be paid to the recipients of Social Security starting in the years 2012 and beyond, is a serious mistake. It is simply wrong.

I believe the Democratic estate tax reform plan is consistent with national priorities and is consistent with keeping our commitments to Social Security. The alternative Republican plan puts those commitments at risk and puts those priorities at risk. That is why I thought the Democratic plan was fairer to our taxpayers and fairer to this Nation.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

MARRIAGE TAX PENALTY RELIEF RECONCILIATION ACT OF 2000—Continued

Mr. SESSIONS. Mr. President, I would like to share a few thoughts on the marriage penalty tax and why I believe it is long past time to remove that tax from our body politic.

I would also like to share a few thoughts on my excitement and thrill about seeing the vote earlier today in

which we joined the overwhelming vote of the House of Representatives in eliminating the death tax. I believe it is a tax that causes an extraordinary burden on the American economy. It disrupts the small, closely-held businesses in America. It actually impedes smaller, growing, profitable businesses that are reaching the levels to compete with a Wal-Mart, or a Home Depot, or a Car Quest store—the companies that are doing so well locally. Then 10, 15, or 20 years down the road, bam, the leading stockholder dies and the corporation owes $6 million, $8 million, $10 million, $12 million, or $30 million in estate taxes. They either have to sell off their corporation, go into debt, or do whatever to pay it. People do not understand it.

If you start an auto parts store chain, and I know of an example of this, and build up to 27 stores, and the senior man who owns the business dies, they evaluate every single store, every part on every counter in those stores as if it is for sale. Say it is worth $50 million and the family has been investing, every day, all of the profits, basically in expanding the business, and the tax they owe, 55 percent, is on the entire value of the corporation? So where do they get the money?

What I know happened in a company as I am describing, the family faced a major decision. What did they decide to do? They sold out to Car Quest, a national corporation. There is nothing wrong with it, it is a fine company, but instead of being a competitor to Car Quest and Auto Zone and the other big dealers, they were out of business. The customers lost. The hometown distribution center in Alabama, where that company was, closed down and they had the Car Quest distribution center in another part of the State.

We are chopping off the heads of growing, vibrant corporations, just as they get to the point to compete with the big multinational and national corporations worth billions of dollars. We ought not to be doing that. It is not good public policy. It brings in very little money. I don't think we ought to be afraid about projections of how much it would cost. It is certainly not going to cost much in the next 10 years. At the rate of growth of this economy, we will be more than able to pay for it, and these numbers do not include the strength and aid the elimination of this tax will give to the American economy.

But the power to tax is a major power of our National Government. When you take money from individual American citizens, you take their wealth from them, as we do in the Government every day when we collect taxes. We take their autonomy, their freedom, their independence, and their power over the things they have earned. It is a diminishment of the strength and independence and autonomy of a citizen, when you increase taxes. It is an increase in the power, the strength, the domination of the Government who takes that tax.

When we have a time in this Nation that we are growing and vibrant and we have some extra money coming in, we have a choice. Are we going to keep taking that money or are we going to allow it to go back to the American people? I have seen the studies from the Office of Management and Budget that show, as a percentage of the total gross domestic product, the Government is taking more money today than at any time since the height of World War II. In 1992, when President Clinton took office, the percentage of the gross domestic product, the total of all goods and services produced in our Nation going to the Federal Government, was 17.6 percent. It is now hitting about 20.9 percent, the largest in history since the peak of World War II when we had a life-and-death struggle going on in the world.

I am, first of all, a supporter of tax cuts because I believe they restore and move us in the direction we ought to head, and that is our heritage as Americans. I spent some time recently in Europe. We were stunned to find the Europeans are paying, on average, 67 percent of their income to the government. Their economies are not nearly what ours is. We have much lower unemployment. The highest growth rate in gross domestic product in the world last year, among industrial nations, was the United States.

I remember reading an article in USA Today, and they interviewed three businessmen—one each from Germany, Japan, and England. They asked them why our economy was better than theirs. They said unanimously it is because the United States had less taxes, less regulation, and a greater commitment to the free market.

I asked Chairman Alan Greenspan, the architect, many say, of this growth economy we are in, did he agree with that. He immediately looked up at me and he said: I absolutely agree with that.

So my concern, my drive, is not to try to see if I can get votes by promising people we are going to reduce their taxes. What I want to see is our Nation establish its heritage of private sector development and growth that is allowing us to lead the world, without doubt, economically, industrially, environmentally, and scientifically. When you talk to people in Europe, they take it as a given that our economy is stronger than theirs. They do not even discuss the subject. They try to say why they chose a different path, but they acknowledge the strength of our American economy.

I have one more prefatory statement. A tax is a penalty. A gift of money is a subsidy. Things you penalize, you get less of. Things you subsidize, you get more of. I think that is a fundamental law of human nature and of the economy, little to be disputed at this point.

So the next tax we need to be talking about is a tax on marriage. In this Nation, we impose a tax on the institution of marriage. As we all know, marriage is the cornerstone of strength in any society. We have seen study after study, ever since Dan Quayle raised the issue and Atlantic Monthly wrote an article that Dan Quayle was right, that the marriage breakup is damaging to our country. We have created a tax policy in this country that penalizes the institution of marriage and subsidizes singleness.

I had a staff person make a statement to me a couple of years ago that stunned me. She said: JEFF, you know we were divorced in January. We got a $1,600 improvement on our taxes by being divorced. If we had been smart enough to have divorced in December, we would have saved $1,600 both years.

We are in the business now in this country of paying people a tax bonus for divorce. We are causing them to suffer a tax penalty, on average of $1,400, if they get married. That is not good public policy. It is wrong. It is unfair. It should not continue. The President has indicated in his State of the Union Address it ought to be eliminated. I do not know who would be against that. It is time to end it now, and this Senate is going to do so. We are going to do it. I expect the President will sign it. I certainly hope so.

We have a surplus now of record proportions, of $1 trillion outside Social Security. I hear a number of my fellow Members of the Senate on the other side of the aisle who express concern if we have a few tax cuts that represent only a small part of the $1 trillion in the non-Social Security surplus we are going to have in the next 10 years, over $1 trillion in non-Social Security surplus applying every dime of the Social Security surplus to the Social Security fund, that somehow we are going to be disrupting and spending all that surplus. The tax cuts proposed are not going to use all of the surplus.

Not only will we pay down the debt with the Social Security surplus, we will be paying down debt with the other surplus we have, unless we go into a spending frenzy—which I reject.

We will also have money to expand spending programs. Our spending is up this year. But every time we get an estimate of the surplus we are looking at over the next decade, those estimates are higher than before. Our economy continues to be strong, and allowing people to keep their money will help keep the economy vibrant and strong.

I am excited about this vote we will be undertaking soon to eliminate the penalty on a very important institution in this country, and that is marriage. We did make progress 2½ years ago, when we passed a child tax credit. A family of three would be able to receive $1,500, if their income is not too high, in tax rebates for those three children; over $100 a month that they can use for shoes, or to fix the muffler on the car, to buy a set of tires, let the child go to camp for the summer, or maybe take a vacation together. It is real money for real families.

Some think Government is not working if we allow families to spend the

money as they see fit; that we are somehow unconcerned about children; we are somehow unconcerned about families if we do not take the money from them and give it back to them and tell them how to spend it. That proves we are concerned?

I say baloney. If you respect American families and you respect American people, free and independent citizens that we are, you let them keep as much of the money you can, to spend as they wish, and they will use it wisely.

I am excited about this vote and this debate. I welcome it. The American people are going to understand the absolute insanity of a tax on the institution of marriage and reject it. We will allow the American people to keep some money that they can spend as they choose on the things that are important to them.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from West Virginia.

FAMILY CARE ACT

Mr. ROCKEFELLER. Mr. President, I rise to comment on the bill Senator KENNEDY and others have worked on which is formally called the Medicaid/CHIP Family Improvement Act, but I will simply refer to it as the Family Care Act.

Most of the people in this country who are uninsured work. A lot of Americans assume that if somebody does not have health insurance, there is lack of merit or effort on their part. Most of the people who do not have health insurance are, in fact, working every single day. They are working, and many happen to be the working poor.

The whole philosophy of the earned-income tax credit, which President Reagan started and a lot of people continued, is that if people are poor and are working, we say: Good, you have taken a job; as a result of taking a job, you have given up your Medicaid health care benefits, and in America we respect that you are taking a risk by going out into the marketplace. You are probably not getting health insurance because of the low wages you are being paid but, nevertheless, you value work and you are going ahead with it.

This is the same spirit we are talking about in the Family Care Act. We value people who work. We value people who work for low wages, and we want to help them and their families.

Essentially through the Family Care Act, not only do we have the CHIP program, with which we are all familiar, which was started in 1996, which has been moderately successful for 2 million out of the 11 million children in this country, but we expand that. We say: Let your parents be included in this, too, because you are all part of the same family.

The Senator from Alabama was just talking about the importance of protecting the family. This is an example of how to do that. The parent of the child receiving the Children's Health Insurance Program is probably without health insurance, so why not expand that to include that parent, which brings the family together on health insurance. It is sensible.

We also provide some money because it is very hard in places such as West Virginia and, I suspect, Alabama, both of which are essentially rural States, and most States in this country have very rural aspects to them—it is very hard to reach out and find the children. We go through the School Lunch Program, but not everybody wants to admit they are on Medicaid or they are available for the CHIP program. It is hard to reach out, so we provide more money to the States to do that in ways the States believe are appropriate.

We also provide States some money for other ways they might think of to do innovative planning to include parents and expand those who are uninsured.

It is interesting to me because we are talking a lot about health care but not doing very much about it. I remember when President Clinton was elected. Although his health care bill did not succeed, there was a lot of energy around here. The energy did not start out to be partisan. It started out that he was elected to do universal health care, and there was a lot of talk.

At that time, the only industrialized countries in the world that did not have universal health insurance were the United States and South Africa. South Africa now has universal health insurance, and the United States is still the only country which does not.

Of course, we are in a massively successful economic situation with a lot of people working and a lot of opportunities to make these changes. What I worry about and why I care about the Family Care Act is that we have tended more away from the fundamentals of health care towards what I call political posturing. I do not want to get into who is doing it and to what extent, but I think most people will agree there is a lot of political posturing occurring.

I am hopeful we will pass a prescription drug benefit. I am not sure we will. I am hopeful we will pass Medicare reform. I do not think we will. I spent a year with the Medicare Reform Commission. It was quite an exercise in futility. There were a lot of negative feelings going back and forth. It was not the kind of commission or work with which one really wanted to be associated in terms of expanding health care.

This bill is not about posturing; it is about trying to eliminate the number of uninsured as much as we possibly can.

I still very much have on my mind the concept of universal health care. I understand that is not the top subject of the moment. We are at an incremental stage. If I can do things incrementally, then I will do that. If I have to wait some years for universal health care, then I will have to do that. I will always be pushing for universal health care, but I will take steps as we can take them, and this Family Care Act is a splendid way to do that.

One of the problems is that since President Clinton's health care bill did not pass—and I will not comment on that—there were 36 or 37 million people uninsured in the country, and there was disagreement as to the number. That is a lot of people. Now there are about 43 million to 44 million uninsured. One can extrapolate from that that we have been talking but not doing much about it. There have been a couple of instances where there has been bipartisan legislation which has passed and has helped, but nothing really substantial, and it has been very sporadic.

We are looking at a situation where, over the next 3 years, approximately 30 percent of the population, or about 81 million Americans, can expect to have no health insurance for at least 1 month out of a year. Who is to say when a problem might occur, when a leg might be broken, when a cancer may be discovered or when some other problem might arise? Basically, that to me is uninsurance.

Business people like to have predictability, and individuals like to have a sense of predictability: I have it; I am safe. That is why it is called the Health Security Act. Security is very important in health care.

Others would say let the market do that. The market has worked wonderfully in many ways in our country. It has had a lot to do with the success of our economy. It probably has had more to do with the success of our economy than the very Chairman of the Federal Reserve the Senator from Alabama was talking about a few moments ago. We are an entrepreneurial country, but we carry entrepreneurship to those places where we are quite certain it is going to work.

There are those who take risks, but basically Americans, when it comes to something such as health care, are rather risk averse, and therefore the whole concept of predictability and security once again becomes particularly important.

I am very unhappy when I think of 81 million Americans having at least 1 month out of the year without health insurance. I do not suspect the market is going to turn that around because it declined to. The Health Insurance Association of America, which is not a particularly aggressive group on health care, would agree with that statement. They do not want to get into that business of doing that kind of insurance.

The Family Care Act is a sensible Government approach in which we simply take the CHIP program, which is beginning to work now at a rapidly increasing rate as States grow more comfortable with it, and say let's extend that to the parents. That is called incrementalism. It is sensible. It fits within a pattern. It is logical, and it

also helps those who tend to be from the working poor. I think we should do all we can to help people who are poor and who work and who choose not to go on welfare.

I think it is time to act. The family care amendment is not in any way political. It is not even large scale. But it does help. It is something that we will be voting on next week. With a strong degree of intensity, I encourage my colleagues to vote for it.

I thank the Presiding Officer and yield the floor.

The PRESIDING OFFICER (Mr. SESSIONS). The Senator from Kentucky.

MARRIAGE TAX PENALTY RELIEF RECONCILIATION ACT OF 2000—Continued

Mr. BUNNING. Mr. President, I will talk just a little bit about the marriage penalty bill that we have before us.

I rise in strong support of this legislation to repeal the marriage penalty.

I am going to vote for this bill because it restores fairness and equity to married Americans under the Tax Code. It is the right and honorable thing to do.

By now I think all of my colleagues know the sad facts about the marriage penalty, and how it cruelly punishes married couples by forcing them to pay higher taxes on their income than if they were single.

For example, a married couple where both spouses earned $30,000 in 1999 would pay $7,655 in federal income taxes. Two individuals earning $30,000 each but filing single returns would pay only $6,892 combined. The $763 difference in tax liability is the marriage penalty.

In fact, the Congressional Budget Office estimates that overall almost half of all married couples—22 million—suffered under the marriage penalty last year. The average penalty paid by these couples was $1,400. Cumulatively, the marriage penalty increases taxes on affected couples by $32 billion per year.

That is 44 million Americans who are paying a total of $32 billion in higher taxes each year simply because they took the walk down the aisle.

In my home State of Kentucky alone, there are over 800,000 married couples, many of whom are punished by the marriage penalty.

I can't think of one good reason why they should have to send more of their money to the Federal Government for the simple reason that they decided to get married. It is about the most unfair and unjust thing I have ever heard of.

This bill provides real relief by making four simple changes to the code.

It increases the standard deduction for married couples to twice the standard reduction for single taxpayers.

It expands 15-percent and 28-percent income tax brackets for married couples filing a joint return to twice the size of the corresponding brackets for individuals.

It updates the rule to eliminate the marriage penalty for low-income couples who qualify for the earned income credit.

And it corrects a glaring oversight in the Code whereby couples who have to pay the alternative minimum tax are denied the ability to fully claim family tax credits, such as the $500 per child tax credit, hope and lifetime learning credits, and the dependent care credit.

The marriage penalty is an outdated relic from the days when families primarily relied on one breadwinner.

The penalty principally occurs because the Tax Code provides a higher combined standard deduction for two workers filing as singles than for married couples, and the income tax bracket thresholds for married couples are less than twice that for single taxpayers.

As recently as several decades ago when most mothers stayed home and fathers trudged off to work at the factory each day, this might have made sense.

Back then it did not matter nearly as much if the Tax Code's standard deduction for a married couple wasn't twice as much as for an individual, or if the income brackets for couples weren't double that for individuals.

Few families had to account for a second income, and had never heard of the marriage penalty.

But times change, and now in many families both parents do work. And I can guarantee you that they know their money is being wrongly taken from them by our immoral tax laws.

Congress and the Tax Code haven't kept pace with the American family. It is time to change that and to make sure that our code meets the needs of the modern family in the 21st century in America.

Even worse, the marriage penalty is a cancer that has spread throughout the Tax Code, and which goes beyond simply affecting standard deductions and income brackets.

There are at least 65 more provisions in our tax laws where married couples are unjustly penalized. Frankly, I think the bill before us today should be just the first step toward completely rooting the marriage penalty out of our Tax Code.

The adoption tax credit, the student loan interest deduction, retirement savings incentives, and dozens of other parts of the Code have all been afflicted by the marriage penalty, and are less available to married couples than if they were single earners trying to take advantage of this tax relief.

This means that the marriage penalty not only punishes Americans who have to foot the bill, it further undermines the good public policy goals that Congress has tried to implement when it passed these changes to the Tax Code.

This isn't the first time Congress has tried to fix the insidious marriage penalty. In 1995, Congress tried to increase the standard deduction for married couples to offset some of the marriage penalty. President Clinton vetoed that bill.

Again in 1999, Congress passed marriage penalty relief. Again the President vetoed it.

Both times the President said he liked the idea of marriage penalty relief, but didn't like other provisions in the legislation. So this year the House passed what I call a ''clean'' marriage penalty bill to try to answer his concerns. But, of course, he issued a strong statement in opposition to that bill.

However, that did not stop him from recently proposing a little horse trading, and telling Congress that he would reconsider and sign marriage penalty relief legislation if we would also pass his Medicare prescription drug plan.

If all that does is confuse you, I know it confuses me. But I think it means the President can't decide what he thinks about ending the marriage penalty.

So I believe that Congress should help clarify his thinking and send him a bill soon so he can make up his mind and decide if he really wants to help provide tax relief to the 44 million Americans who are unfairly punished by the marriage penalty.

It is time for the Senate to act and to send marriage penalty relief to the President. Until we do we are not going to be able to escape the fact that the marriage penalty causes a vicious cycle.

It imposes higher taxes on millions of families, and it unfairly takes away billions of dollars of income from married couples. That money is then sent to Washington and used to help pay for child care and other programs that families might not have needed in the first place if they had been able to keep the money that was stolen from them by the marriage penalty.

Mr. President, the marriage penalty is an evil that is eating away at our families. The American people want a divorce from the marriage penalty, and we can give it to them by passing this bill today.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. NICKLES. Mr. President, for the information of my colleague, I will speak on the marriage penalty for a few minutes and then go into the wrap-up.

Mr. President, I compliment my colleagues, several of whom have worked very hard to make sure we eliminate the marriage penalty. KAY BAILEY HUTCHISON of Texas, SAM BROWNBACK, Senator ASHCROFT, and Senator SANTORUM have been pushing and pushing to eliminate one of the most unfair

penalties in the Tax Code, the marriage penalty. Now we have a chance to do that. We are going to vote on that on Monday. We are going to pass it—at least I hope we do—and I hope the President will sign it.

The President said in his State of the Union Address that we need to eliminate the marriage penalty. He didn't propose it. He had a little something in his budget but very little. We have taken that and we are now considering a bill to basically eliminate the marriage penalty. A lot of people don't know what that is. It says that if people file a joint return, they pay more than they would have paid as single individuals. Some people say: Wait a minute. The Republican proposal, or the proposal we passed out of the Finance Committee, does more than that; it has a marriage bonus.

We say that we should basically double the income tax brackets for individuals and for couples. So if they are married and file jointly, they end up getting twice the income tax bracket before you step into the next bracket as individuals. That is really pretty simple. But it is as fair as it can get. It is the right thing to do.

To give an example, we have several brackets in our Tax Code: 0, 15, 28, 31, 36, and 39.6. Actually, the maximum rate was 31 percent before President Clinton came into office. In 1993, he and Vice President Gore passed a tax increase to move the maximum rate up to 39.6. They also eliminated deductions and also took off the cap on the Medicare tax, which is another 2.9 percent. So they basically raised the maximum rate up to 43, 44 percent.

As you jump into higher tax brackets, each income level, you are penalized under the marriage penalty. As an individual, you pay 15 percent up to $26,000. You would think a couple would go into the next bracket until it is double that amount. That would be $52,000. An individual pays 15 percent up to $26,000. So for a couple, when they go into the next higher bracket at 28 percent, that should be at $52,000. That is not the case.

If you look at the Tax Code, a married couple filing a joint return goes into 28 percent not at $52,000 or $50,000 but at $43,000. So what that means is that the married couple is paying an additional rate of 28 percent on all income between $43,000 and $52,000. That is the marriage penalty. We would eliminate that. Whether there is one wage earner or two wage earners in the married couple, we eliminate that penalty. Another way of saying it is, we take the $26,000, on which you are paying 15 percent, and we double it. So if it is $26,000 for an individual, it is $52,000 for a couple. We do the same thing on the 28 percent bracket. So we eliminate this penalty.

Another way of looking at it would be, if you have a principal wage earner and, say, he or she makes $40,000, and a spouse makes $20,000, under present law, the spouse that makes $20,000 pays the same income tax rate as the principal wage earner. That is not right. They should not be paying a tax rate of 28 percent. They should be paying at the 15-percent rate. So we are doubling the tax. The present Tax Code almost charges double for the wage earner that is making $20,000 just because they happen to be married to a spouse who makes $40,000. That is wrong. It needs to be eliminated, and we do eliminate that in this proposal.

I have heard some of my colleagues say they are going to offer a Democrat substitute and change that Democrat proposal.

I compliment my friend and colleague from New York, Senator MOYNIHAN. I have the greatest respect for him. He says the way to solve it is to make individuals file as if they have individual returns. What does that mean?

If you have an income of $40,000 or $20,000, there would be some tax relief. But what if you have a situation where somebody earns $60,000? There is no tax relief. Or if you have an income that is $50,000, there is no tax relief. You are paying a 28-percent bracket on any income between $43,000 and $52,000. So they get penalized. They doesn't solve that problem.

I hope I am not being too confusing. Maybe it is kind of wonkish, but we are penalizing couples in the U.S. today for being married to the tune of an average $1,200 to $1,400. That is wrong. We have a chance to fix it. We should. I believe we will fix it on Monday.

I am pleased. This week was a good week. We passed a bill to eliminate the death tax. That is good news for small business. It is good news for farmers and ranchers or anybody who is trying to build a business. They would like to know they can build the business and not lose half of it when they die.

The tax rates right now on the death tax range from 37 percent once you get past the deductible to 55 percent and in some cases 60 percent. If you have a taxable estate of $10 million, you have a marginal rate of 60 percent. That is too high. A lot of people do not know that. Some press people said to me: I think you misstated it.

The facts are, if you have a taxable estate of $10 million to $17 million, you pay a rate of 60 percent. That is way too high. We have taken care of that today. The only thing that will stop that from becoming law is President Clinton. He can sign it and we can eliminate the death tax and replace it with a capital gains tax. That is fair and equitable across the board. It is something we ought to do. It is the fair and right thing to do.

Next Monday we can eliminate the marriage penalty. People shouldn't have to pay more taxes because they happen to be married. People shouldn't be bumped into higher categories because they happen to be married. We shouldn't be charging couples for marriage. They shouldn't be penalized for being married.

We basically double the tax schedule for couples. To me, it is the fairest thing to do. You don't penalize somebody because they are working or not working. We don't penalize married couples. We have a chance to eliminate this gross inequity.

We have taken care of one today on the floor of the Senate by eliminating the death penalty. On Monday, we can eliminate the marriage penalty.

I compliment my colleagues, and especially several of our Democrat colleagues who were with us. Nine Democrats voted with us on final passage. We passed a bipartisan bill. It was bipartisan in the House with an overwhelming vote of a 2-to-1 margin. There was a good margin today in the Senate—59–39. Frankly, I hope that number will grow. We had several Members absent today, several of whom maybe would join us.

Again, I compliment Senator LOTT, and also Senator ROTH, for bringing the bill forward this week. Next week, we have the opportunity to provide real tax relief for businesses, for families, and for married couples. I think that is some of the most positive news for taxpayers in a long, long time.

I am going to proceed to several unanimous consent requests to help expedite consideration of these matters before the Senate next week.

AMENDMENT NO. 3881

Mr. NICKLES. Mr. President, I send an amendment to the desk to the pending bill on behalf of the majority leader.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. NICKLES), for Mr. LOTT, proposes an amendment numbered 3881.

Mr. NICKLES. 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:

(Purpose: To provide a substitute)

Strike all after the first word and insert:

1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Marriage Tax Relief Reconciliation Act of 2000''.

(b) SECTION 15 NOT TO APPLY.—No amendment made by this Act shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) of the Internal Revenue Code of 1986 (relating to standard deduction) is amended—

(1) by striking ''$5,000'' in subparagraph (A) and inserting ''200 percent of the dollar amount in effect under subparagraph (C) for the taxable year'';

(2) by adding ''or'' at the end of subparagraph (B);

(3) by striking ''in the case of'' and all that follows in subparagraph (C) and inserting ''in any other case.''; and

(4) by striking subparagraph (D).

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6) of such Code is amended by striking ''(other

than with'' and all that follows through ''shall be applied'' and inserting ''(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied''.

(2) Paragraph (4) of section 63(c) of such Code is amended by adding at the end the following flush sentence:

''The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 3. PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT AND 28-PERCENT RATE BRACKETS.

(a) IN GENERAL.—Subsection (f) of section 1 of the Internal Revenue Code of 1986 (relating to adjustments in tax tables so that inflation will not result in tax increases) is amended by adding at the end the following new paragraph:

''(8) PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT AND 28-PERCENT RATE BRACKETS.—

''(A) IN GENERAL.—With respect to taxable years beginning after December 31, 2001, in prescribing the tables under paragraph (1)—

''(i) the maximum taxable income amount in the 15-percent rate bracket, the minimum and maximum taxable income amounts in the 28-percent rate bracket, and the minimum taxable income amount in the 31-percent rate bracket in the table contained in subsection (a) shall be the applicable percentage of the comparable taxable income amounts in the table contained in subsection (c) (after any other adjustment under this subsection), and

''(ii) the comparable taxable income amounts in the table contained in subsection (d) shall be ½ of the amounts determined under clause (i).

''(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

''For taxable years beginning in calendar year—	**The applicable percentage is—**
2002	170.3
2003	173.8
2004	180.0
2005	183.2
2006	185.0
2007 and thereafter	200.0.

''(C) ROUNDING.—If any amount determined under subparagraph (A)(i) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.''.

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (A) of section 1(f)(2) of such Code is amended by inserting ''except as provided in paragraph (8),'' before ''by increasing''.

(2) The heading for subsection (f) of section 1 of such Code is amended by inserting ''PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT AND 28-PERCENT RATE BRACKETS;'' before ''ADJUSTMENTS''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 4. MARRIAGE PENALTY RELIEF FOR EARNED INCOME CREDIT.

(a) IN GENERAL.—Paragraph (2) of section 32(b) of the Internal Revenue Code of 1986 (relating to percentages and amounts) is amended—

(1) by striking ''AMOUNTS.—The earned'' and inserting ''AMOUNTS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the earned''; and

(2) by adding at the end the following new subparagraph:

''(B) JOINT RETURNS.—In the case of a joint return, the phaseout amount determined under subparagraph (A) shall be increased by $2,500.''.

(b) INFLATION ADJUSTMENT.—Paragraph (1)(B) of section 32(j) of such Code (relating to inflation adjustments) is amended to read as follows:

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined—

''(i) in the case of amounts in subsections (b)(2)(A) and (i)(1), by substituting 'calendar year 1995' for 'calendar year 1992' in subparagraph (B) thereof, and

''(ii) in the case of the $2,500 amount in subsection (b)(2)(B), by substituting 'calendar year 2000' for 'calendar year 1992' in subparagraph (B) of such section 1.''.

(c) ROUNDING.—Section 32(j)(2)(A) of such Code (relating to rounding) is amended by striking ''subsection (b)(2)'' and inserting ''subsection (b)(2)(A) (after being increased under subparagraph (B) thereof)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 5. PRESERVE FAMILY TAX CREDITS FROM THE ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Subsection (a) of section 26 of the Internal Revenue Code of 1986 (relating to limitation based on tax liability; definition of tax liability) is amended to read as follows:

''(a) LIMITATION BASED ON AMOUNT OF TAX.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the sum of—

''(1) the taxpayer's regular tax liability for the taxable year reduced by the foreign tax credit allowable under section 27(a), and

''(2) the tax imposed for the taxable year by section 55(a).''.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 24 of such Code is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(2) Section 32 of such Code is amended by striking subsection (h).

(3) Section 904 of such Code is amended by striking subsection (h) and by redesignating subsections (i), (j), and (k) as subsections (h), (i), and (j), respectively.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 6. COMPLIANCE WITH BUDGET ACT.

(a) IN GENERAL.—Except as provided in subsection (b), all amendments made by this Act which are in effect on September 30, 2005, shall cease to apply as of the close of September 30, 2005.

(b) SUNSET FOR CERTAIN PROVISIONS ABSENT SUBSEQUENT LEGISLATION.—The amendments made by sections 2, 3, 4, and 5 of this Act shall not apply to any taxable year beginning after December 31, 2004.

Mr. NICKLES. Mr. President, I ask unanimous consent that all time be yielded and the amendment be laid aside.

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

AMENDMENT NO. 3882

Mr. NICKLES. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oklahoma (Mr. NICKLES) proposes an amendment numbered 3882.

Mr. NICKLES. 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:

(Purpose: To provide a substitute)

Strike all after the first word and insert:

1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Marriage Tax Relief Reconciliation Act of 2000''.

(b) SECTION 15 NOT TO APPLY.—No amendment made by this Act shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) of the Internal Revenue Code of 1986 (relating to standard deduction) is amended—

(1) by striking ''$5,000'' in subparagraph (A) and inserting ''200 percent of the dollar amount in effect under subparagraph (C) for the taxable year'';

(2) by adding ''or'' at the end of subparagraph (B);

(3) by striking ''in the case of'' and all that follows in subparagraph (C) and inserting ''in any other case.''; and

(4) by striking subparagraph (D).

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6) of such Code is amended by striking ''(other than with'' and all that follows through ''shall be applied'' and inserting ''(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied''.

(2) Paragraph (4) of section 63(c) of such Code is amended by adding at the end the following flush sentence:

''The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 3. PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT AND 28-PERCENT RATE BRACKETS.

(a) IN GENERAL.—Subsection (f) of section 1 of the Internal Revenue Code of 1986 (relating to adjustments in tax tables so that inflation will not result in tax increases) is amended by adding at the end the following new paragraph:

''(8) PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT AND 28-PERCENT RATE BRACKETS.—

''(A) IN GENERAL.—With respect to taxable years beginning after December 31, 2001, in prescribing the tables under paragraph (1)—

''(i) the maximum taxable income amount in the 15-percent rate bracket, the minimum and maximum taxable income amounts in the 28-percent rate bracket, and the minimum taxable income amount in the 31-percent rate bracket in the table contained in subsection (a) shall be the applicable percentage of the comparable taxable income amounts in the table contained in subsection (c) (after any other adjustment under this subsection), and

''(ii) the comparable taxable income amounts in the table contained in subsection (d) shall be ½ of the amounts determined under clause (i).

''(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

''For taxable years beginning in calendar year—	**The applicable percentage is—**
2002	170.3
2003	173.8
2004	180.0
2005	183.2
2006	185.0
2007 and thereafter	200.0.

''(C) ROUNDING.—If any amount determined under subparagraph (A)(i) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.''.

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (A) of section 1(f)(2) of such Code is amended by inserting ''except as provided in paragraph (8),'' before ''by increasing''.

(2) The heading for subsection (f) of section 1 of such Code is amended by inserting ''PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT AND 28-PERCENT RATE BRACKETS;'' before ''ADJUSTMENTS''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 4. PRESERVE FAMILY TAX CREDITS FROM THE ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Subsection (a) of section 26 of the Internal Revenue Code of 1986 (relating to limitation based on tax liability; definition of tax liability) is amended to read as follows:

''(a) LIMITATION BASED ON AMOUNT OF TAX.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the sum of—

''(1) the taxpayer's regular tax liability for the taxable year reduced by the foreign tax credit allowable under section 27(a), and

''(2) the tax imposed for the taxable year by section 55(a).''.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 24 of such Code is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(2) Section 32 of such Code is amended by striking subsection (h).

(3) Section 904 of such Code is amended by striking subsection (h) and by redesignating subsections (i), (j), and (k) as subsections (h), (i), and (j), respectively.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 5. COMPLIANCE WITH BUDGET ACT.

(a) IN GENERAL.—Except as provided in subsection (b), all amendments made by this Act which are in effect on September 30, 2005, shall cease to apply as of the close of September 30, 2005.

(b) SUNSET FOR CERTAIN PROVISIONS ABSENT SUBSEQUENT LEGISLATION.—The amendments made by sections 2, 3, and 4 of this Act shall not apply to any taxable year beginning after December 31, 2004.

Mr. NICKLES. Mr. President, I ask unanimous consent that all time be yielded and the amendment be laid aside.

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

AMENDMENT NO. 3849, AS MODIFIED

Mr. NICKLES. Mr. President, I ask unanimous consent that the Brownback amendment numbered 3849 be modified with the text that is now at the desk.

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

The amendment as modified is as follows:

(Purpose: To provide tax relief for farmers, and for other purposes)

At the end of the bill, add the following:

TITLE VI—TAX RELIEF FOR FARMERS

SEC. 601. FARM, FISHING, AND RANCH RISK MANAGEMENT ACCOUNTS.

(a) IN GENERAL.—Subpart C of part II of subchapter E of chapter 1 (relating to taxable year for which deductions taken) is amended by inserting after section 468B the following:

''SEC. 468C. FARM, FISHING, AND RANCH RISK MANAGEMENT ACCOUNTS.

''(a) DEDUCTION ALLOWED.—In the case of an individual engaged in an eligible farming business or commercial fishing, there shall be allowed as a deduction for any taxable year the amount paid in cash by the taxpayer during the taxable year to a Farm, Fishing, and Ranch Risk Management Account (hereinafter referred to as the 'FFARRM Account').

''(b) LIMITATION.—

''(1) CONTRIBUTIONS.—The amount which a taxpayer may pay into the FFARRM Account for any taxable year shall not exceed 20 percent of so much of the taxable income of the taxpayer (determined without regard to this section) which is attributable (determined in the manner applicable under section 1301) to any eligible farming business or commercial fishing.

''(2) DISTRIBUTIONS.—Distributions from a FFARRM Account may not be used to purchase, lease, or finance any new fishing vessel, add capacity to any fishery, or otherwise contribute to the overcapitalization of any fishery. The Secretary of Commerce shall implement regulations to enforce this paragraph.

''(c) ELIGIBLE BUSINESSES.—For purposes of this section—

''(1) ELIGIBLE FARMING BUSINESS.—The term 'eligible farming business' means any farming business (as defined in section 263A(e)(4)) which is not a passive activity (within the meaning of section 469(c)) of the taxpayer.

''(2) COMMERCIAL FISHING.—The term 'commercial fishing' has the meaning given such term by section (3) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802) but only if such fishing is not a passive activity (within the meaning of section 469(c)) of the taxpayer.

''(d) FFARRM ACCOUNT.—For purposes of this section—

''(1) IN GENERAL.—The term 'FFARRM Account' means a trust created or organized in the United States for the exclusive benefit of the taxpayer, but only if the written governing instrument creating the trust meets the following requirements:

''(A) No contribution will be accepted for any taxable year in excess of the amount allowed as a deduction under subsection (a) for such year.

''(B) The trustee is a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section.

''(C) The assets of the trust consist entirely of cash or of obligations which have adequate stated interest (as defined in section 1274(c)(2)) and which pay such interest not less often than annually.

''(D) All income of the trust is distributed currently to the grantor.

''(E) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

''(2) ACCOUNT TAXED AS GRANTOR TRUST.—The grantor of a FFARRM Account shall be treated for purposes of this title as the owner of such Account and shall be subject to tax thereon in accordance with subpart E of part I of subchapter J of this chapter (relating to grantors and others treated as substantial owners).

''(e) INCLUSION OF AMOUNTS DISTRIBUTED.—

''(1) IN GENERAL.—Except as provided in paragraph (2), there shall be includible in the gross income of the taxpayer for any taxable year—

''(A) any amount distributed from a FFARRM Account of the taxpayer during such taxable year, and

''(B) any deemed distribution under—

''(i) subsection (f)(1) (relating to deposits not distributed within 5 years),

''(ii) subsection (f)(2) (relating to cessation in eligible farming business), and

''(iii) subparagraph (A) or (B) of subsection (f)(3) (relating to prohibited transactions and pledging account as security).

''(2) EXCEPTIONS.—Paragraph (1)(A) shall not apply to—

''(A) any distribution to the extent attributable to income of the Account, and

''(B) the distribution of any contribution paid during a taxable year to a FFARRM Account to the extent that such contribution exceeds the limitation applicable under subsection (b) if requirements similar to the requirements of section 408(d)(4) are met.

For purposes of subparagraph (A), distributions shall be treated as first attributable to income and then to other amounts.

''(f) SPECIAL RULES.—

''(1) TAX ON DEPOSITS IN ACCOUNT WHICH ARE NOT DISTRIBUTED WITHIN 5 YEARS.—

''(A) IN GENERAL.—If, at the close of any taxable year, there is a nonqualified balance in any FFARRM Account—

''(i) there shall be deemed distributed from such Account during such taxable year an amount equal to such balance, and

''(ii) the taxpayer's tax imposed by this chapter for such taxable year shall be increased by 10 percent of such deemed distribution.

The preceding sentence shall not apply if an amount equal to such nonqualified balance is distributed from such Account to the taxpayer before the due date (including extensions) for filing the return of tax imposed by this chapter for such year (or, if earlier, the date the taxpayer files such return for such year).

''(B) NONQUALIFIED BALANCE.—For purposes of subparagraph (A), the term 'nonqualified balance' means any balance in the Account on the last day of the taxable year which is attributable to amounts deposited in such Account before the 4th preceding taxable year.

''(C) ORDERING RULE.—For purposes of this paragraph, distributions from a FFARRM Account (other than distributions of current income) shall be treated as made from deposits in the order in which such deposits were made, beginning with the earliest deposits.

''(2) CESSATION IN ELIGIBLE BUSINESS.—At the close of the first disqualification period after a period for which the taxpayer was engaged in an eligible farming business or commercial fishing, there shall be deemed distributed from the FFARRM Account of the taxpayer an amount equal to the balance in such Account (if any) at the close of such disqualification period. For purposes of the preceding sentence, the term 'disqualification period' means any period of 2 consecutive taxable years for which the taxpayer is not engaged in an eligible farming business or commercial fishing.

''(3) CERTAIN RULES TO APPLY.—Rules similar to the following rules shall apply for purposes of this section:

''(A) Section 220(f)(8) (relating to treatment on death).

''(B) Section 408(e)(2) (relating to loss of exemption of account where individual engages in prohibited transaction).

''(C) Section 408(e)(4) (relating to effect of pledging account as security).

''(D) Section 408(g) (relating to community property laws).

''(E) Section 408(h) (relating to custodial accounts).

''(4) TIME WHEN PAYMENTS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a payment to a FFARRM Account on the last day of a taxable year if such payment is made on account of such taxable year and is made on or before the due date (without regard to extensions) for filing the return of tax for such taxable year.

''(5) INDIVIDUAL.—For purposes of this section, the term 'individual' shall not include an estate or trust.

''(6) DEDUCTION NOT ALLOWED FOR SELF-EMPLOYMENT TAX.—The deduction allowable by reason of subsection (a) shall not be taken into account in determining an individual's net earnings from self-employment (within the meaning of section 1402(a)) for purposes of chapter 2.

''(g) REPORTS.—The trustee of a FFARRM Account shall make such reports regarding such Account to the Secretary and to the person for whose benefit the Account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such persons at such time and in such manner as may be required by such regulations.''.

(b) TAX ON EXCESS CONTRIBUTIONS.—

(1) Subsection (a) of section 4973 (relating to tax on excess contributions to certain tax-favored accounts and annuities) is amended by striking ''or'' at the end of paragraph (3), by redesignating paragraph (4) as paragraph (5), and by inserting after paragraph (3) the following:

''(4) a FFARRM Account (within the meaning of section 468C(d)), or''.

(2) Section 4973 is amended by adding at the end the following:

''(g) EXCESS CONTRIBUTIONS TO FFARRM ACCOUNTS.—For purposes of this section, in the case of a FFARRM Account (within the meaning of section 468C(d)), the term 'excess contributions' means the amount by which the amount contributed for the taxable year to the Account exceeds the amount which may be contributed to the Account under section 468C(b) for such taxable year. For purposes of this subsection, any contribution which is distributed out of the FFARRM Account in a distribution to which section 468C(e)(2)(B) applies shall be treated as an amount not contributed.''.

(3) The section heading for section 4973 is amended to read as follows:

''SEC. 4973. EXCESS CONTRIBUTIONS TO CERTAIN ACCOUNTS, ANNUITIES, ETC.''.

(4) The table of sections for chapter 43 is amended by striking the item relating to section 4973 and inserting the following:

''Sec. 4973. Excess contributions to certain accounts, annuities, etc.''.

(c) TAX ON PROHIBITED TRANSACTIONS.—

(1) Subsection (c) of section 4975 (relating to tax on prohibited transactions) is amended by adding at the end the following:

''(6) SPECIAL RULE FOR FFARRM ACCOUNTS.—A person for whose benefit a FFARRM Account (within the meaning of section 468C(d)) is established shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a FFARRM Account by reason of the application of section 468C(f)(3)(A) to such account.''.

(2) Paragraph (1) of section 4975(e) is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively, and by inserting after subparagraph (D) the following:

''(E) a FFARRM Account described in section 468C(d),''.

(d) FAILURE TO PROVIDE REPORTS ON FFARRM ACCOUNTS.—Paragraph (2) of section 6693(a) (relating to failure to provide reports on certain tax-favored accounts or annuities) is amended by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively, and by inserting after subparagraph (B) the following:

''(C) section 468C(g) (relating to FFARRM Accounts),''.

(e) CLERICAL AMENDMENT.—The table of sections for subpart C of part II of subchapter E of chapter 1 is amended by inserting after the item relating to section 468B the following:

''Sec. 468C. Farm, Fishing and Ranch Risk Management Accounts.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 602. WRITTEN AGREEMENT RELATING TO EXCLUSION OF CERTAIN FARM RENTAL INCOME FROM NET EARNINGS FROM SELF-EMPLOYMENT.

(a) INTERNAL REVENUE CODE.—Section 1402(a)(1)(A) (relating to net earnings from self-employment) is amended by striking ''an arrangement'' and inserting ''a lease agreement''.

(b) SOCIAL SECURITY ACT.—Section 211(a)(1)(A) of the Social Security Act is amended by striking ''an arrangement'' and inserting ''a lease agreement''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 603. TREATMENT OF CONSERVATION RESERVE PROGRAM PAYMENTS AS RENTALS FROM REAL ESTATE.

(a) IN GENERAL.—Section 1402(a)(1) (defining net earnings from self-employment) is amended by inserting ''and including payments under section 1233(2) of the Food Security Act of 1985 (16 U.S.C. 3833(2))'' after ''crop shares''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made before, on, or after the date of the enactment of this Act.

SEC. 604. EXEMPTION OF AGRICULTURAL BONDS FROM STATE VOLUME CAP.

(a) IN GENERAL.—Section 146(g) (relating to exception for certain bonds) is amended by striking ''and'' at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting '', and'', and by inserting after paragraph (4) the following:

''(5) any qualified small issue bond described in section 144(a)(12)(B)(ii).''.

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

SEC. 605. MODIFICATIONS TO SECTION 512(b)(13).

(a) IN GENERAL.—Paragraph (13) of section 512(b) is amended by redesignating subparagraph (E) as subparagraph (F) and by inserting after subparagraph (D) the following new paragraph:

''(E) PARAGRAPH TO APPLY ONLY TO EXCESS PAYMENTS.—

''(i) IN GENERAL.—Subparagraph (A) shall apply only to the portion of a specified payment received by the controlling organization that exceeds the amount which would have been paid if such payment met the requirements prescribed under section 482.

''(ii) ADDITION TO TAX FOR VALUATION MISSTATEMENTS.—The tax imposed by this chapter on the controlling organization shall be increased by an amount equal to 20 percent of such excess.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to payments received or accrued after December 31, 2000.

(2) PAYMENTS SUBJECT TO BINDING CONTRACT TRANSITION RULE.—If the amendments made by section 1041 of the Taxpayer Relief Act of 1997 do not apply to any amount received or accrued after the date of the enactment of this Act under any contract described in subsection (b)(2) of such section, such amendments also shall not apply to amounts received or accrued under such contract before January 1, 2001.

SEC. 606. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Subsection (e) of section 170 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new paragraph:

''(7) SPECIAL RULE FOR CONTRIBUTIONS OF FOOD INVENTORY.—For purposes of this section—

''(A) CONTRIBUTIONS BY NON-CORPORATE TAXPAYERS.—In the case of a charitable contribution of food, paragraph (3)(A) shall be applied without regard to whether or not the contribution is made by a corporation.

''(B) LIMIT ON REDUCTION.—In the case of a charitable contribution of food which is a qualified contribution (within the meaning of paragraph (3)(A), as modified by subparagraph (A) of this paragraph)—

''(i) paragraph (3)(B) shall not apply, and

''(ii) the reduction under paragraph (1)(A) for such contribution shall be no greater than the amount (if any) by which the amount of such contribution exceeds twice the basis of such food.

''(C) DETERMINATION OF BASIS.—For purposes of this paragraph, if a taxpayer uses the cash method of accounting, the basis of any qualified contribution of such taxpayer shall be deemed to be 50 percent of the fair market value of such contribution.

''(D) DETERMINATION OF FAIR MARKET VALUE.—In the case of a charitable contribution of food which is a qualified contribution (within the meaning of paragraph (3), as modified by subparagraphs (A) and (B) of this paragraph) and which, solely by reason of internal standards of the taxpayer, lack of market, or similar circumstances, or which is produced by the taxpayer exclusively for the purposes of transferring the food to an organization described in paragraph (3)(A), cannot or will not be sold, the fair market value of such contribution shall be determined—

''(i) without regard to such internal standards, such lack of market, such circumstances, or such exclusive purpose, and

''(ii) if applicable, by taking into account the price at which the same or similar food items are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2000.

SEC. 607. INCOME AVERAGING FOR FARMERS AND FISHERMEN NOT TO INCREASE ALTERNATIVE MINIMUM TAX LIABILITY.

(a) IN GENERAL.—Section 55(c) (defining regular tax) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following:

''(2) COORDINATION WITH INCOME AVERAGING FOR FARMERS AND FISHERMEN.—Solely for purposes of this section, section 1301 (relating to averaging of farm and fishing income) shall not apply in computing the regular tax.''.

(b) ALLOWING INCOME AVERAGING FOR FISHERMEN.—

(1) IN GENERAL.—Section 1301(a) is amended by striking ''farming business'' and inserting ''farming business or fishing business,''.

(2) DEFINITION OF ELECTED FARM INCOME.—

(A) IN GENERAL.—Clause (i) of section 1301(b)(1)(A) is amended by inserting ''or fishing business'' before the semicolon.

(B) CONFORMING AMENDMENT.—Subparagraph (B) of section 1301(b)(1) is amended by inserting ''or fishing business'' after ''farming business'' both places it occurs.

(3) DEFINITION OF FISHING BUSINESS.—Section 1301(b) is amended by adding at the end the following new paragraph:

''(4) FISHING BUSINESS.—The term 'fishing business' means the conduct of commercial

fishing as defined in section 3 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 608. REPEAL OF MODIFICATION OF INSTALLMENT METHOD.

(a) IN GENERAL.—Subsection (a) of section 536 of the Ticket to Work and Work Incentives Improvement Act of 1999 (relating to modification of installment method and repeal of installment method for accrual method taxpayers) is repealed effective with respect to sales and other dispositions occurring on or after the date of the enactment of such Act.

(b) APPLICABILITY.—The Internal Revenue Code of 1986 shall be applied and administered as if such subsection (and the amendments made by such subsection) had not been enacted.

SEC. 609. COOPERATIVE MARKETING INCLUDES VALUE-ADDED PROCESSING THROUGH ANIMALS.

(a) IN GENERAL.—Section 1388 (relating to definitions and special rules) is amended by adding at the end the following:

''(k) COOPERATIVE MARKETING INCLUDES VALUE-ADDED PROCESSING THROUGH ANIMALS.—For purposes of section 521 and this subchapter, 'marketing the products of members or other producers' includes feeding the products of members or other producers to cattle, hogs, fish, chickens, or other animals and selling the resulting animals or animal products.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 610. DECLARATORY JUDGMENT RELIEF FOR SECTION 521 COOPERATIVES.

(a) IN GENERAL.—Section 7428(a)(1) (relating to declaratory judgments of tax exempt organizations) is amended by striking ''or'' at the end of subparagraph (B) and by adding at the end the following:

''(D) with respect to the initial qualification or continuing qualification of a cooperative as described in section 521(b) which is exempt from tax under section 521(a), or''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to pleadings filed after the date of the enactment of this Act but only with respect to determinations (or requests for determinations) made after January 1, 2000.

SEC. 611. SMALL ETHANOL PRODUCER CREDIT.

(a) ALLOCATION OF ALCOHOL FUELS CREDIT TO PATRONS OF A COOPERATIVE.—Section 40(g) (relating to alcohol used as fuel) is amended by adding at the end the following:

''(6) ALLOCATION OF SMALL ETHANOL PRODUCER CREDIT TO PATRONS OF COOPERATIVE.—

''(A) ELECTION TO ALLOCATE.—

''(i) IN GENERAL.—In the case of a cooperative organization described in section 1381(a), any portion of the credit determined under subsection (a)(3) for the taxable year may, at the election of the organization, be apportioned pro rata among patrons of the organization on the basis of the quantity or value of business done with or for such patrons for the taxable year.

''(ii) FORM AND EFFECT OF ELECTION.—An election under clause (i) for any taxable year shall be made on a timely filed return for such year. Such election, once made, shall be irrevocable for such taxable year.

''(iii) SPECIAL RULE FOR 1998 AND 1999.—Notwithstanding clause (ii), an election for any taxable year ending prior to the date of the enactment of the Death Tax Elimination Act of 2000 may be made at any time before the expiration of the 3-year period beginning on the last date prescribed by law for filing the return of the taxpayer for such taxable year (determined without regard to extensions) by filing an amended return for such year.

''(B) TREATMENT OF ORGANIZATIONS AND PATRONS.—The amount of the credit apportioned to patrons under subparagraph (A)—

''(i) shall not be included in the amount determined under subsection (a) with respect to the organization for the taxable year,

''(ii) shall be included in the amount determined under subsection (a) for the taxable year of each patron for which the patronage dividends for the taxable year described in subparagraph (A) are included in gross income, and

''(iii) shall be included in gross income of such patrons for the taxable year in the manner and to the extent provided in section 87.

''(C) SPECIAL RULES FOR DECREASE IN CREDITS FOR TAXABLE YEAR.—If the amount of the credit of a cooperative organization determined under subsection (a)(3) for a taxable year is less than the amount of such credit shown on the return of the cooperative organization for such year, an amount equal to the excess of—

''(i) such reduction, over

''(ii) the amount not apportioned to such patrons under subparagraph (A) for the taxable year,

shall be treated as an increase in tax imposed by this chapter on the organization. Such increase shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit under this subpart or subpart A, B, E, or G.''.

(b) IMPROVEMENTS TO SMALL ETHANOL PRODUCER CREDIT.—

(1) SMALL ETHANOL PRODUCER CREDIT NOT A PASSIVE ACTIVITY CREDIT.—Clause (i) of section 469(d)(2)(A) is amended by striking ''subpart D'' and inserting ''subpart D, other than section 40(a)(3),''.

(2) ALLOWING CREDIT AGAINST MINIMUM TAX.—

(A) IN GENERAL.—Subsection (c) of section 38 (relating to limitation based on amount of tax) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) SPECIAL RULES FOR SMALL ETHANOL PRODUCER CREDIT.—

''(A) IN GENERAL.—In the case of the small ethanol producer credit—

''(i) this section and section 39 shall be applied separately with respect to the credit, and

''(ii) in applying paragraph (1) to the credit—

''(I) subparagraphs (A) and (B) thereof shall not apply, and

''(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the small ethanol producer credit).

''(B) SMALL ETHANOL PRODUCER CREDIT.—For purposes of this subsection, the term 'small ethanol producer credit' means the credit allowable under subsection (a) by reason of section 40(a)(3).''.

(B) CONFORMING AMENDMENT.—Subclause (II) of section 38(c)(2)(A)(ii) is amended by inserting ''or the small ethanol producer credit'' after ''employment credit''.

(3) SMALL ETHANOL PRODUCER CREDIT NOT ADDED BACK TO INCOME UNDER SECTION 87.—Section 87 (relating to income inclusion of alcohol fuel credit) is amended to read as follows:

''SEC. 87. ALCOHOL FUEL CREDIT.

''Gross income includes an amount equal to the sum of—

''(1) the amount of the alcohol mixture credit determined with respect to the taxpayer for the taxable year under section 40(a)(1), and

''(2) the alcohol credit determined with respect to the taxpayer for the taxable year under section 40(a)(2).''.

(c) CONFORMING AMENDMENT.—Section 1388 (relating to definitions and special rules for cooperative organizations) is amended by adding at the end the following:

''(k) CROSS REFERENCE.—For provisions relating to the apportionment of the alcohol fuels credit between cooperative organizations and their patrons, see section 40(d) (6).''

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsection (b) of this section shall apply to taxable years ending after the date of enactment.

(2) PROVISIONS AFFECTING COOPERATIVES AND THEIR PATRONS.—The amendments made by subsections (a) and (c), and the amendments made by paragraphs (2) and (3) of subsection (b), shall apply to taxable years beginning after December 31, 1997.

Mr. MACK. Mr. President, I urge all of my colleagues to join us to reduce the marriage penalties in the tax code. This bill will provide married couples the relief that President Clinton denied them last year with his veto of the Taxpayer Refund and Relief Act of 1999. President Clinton's action last year increased taxes by close to $800 billion and imposed a marriage penalty on middle class American families.

There is no place in the Tax Code for marriage penalties. Marriage penalties are caused by tax laws that treat joint filers relatively worse than single filers with half the income. It has of late become common practice to use the Tax Code for purposes of social engineering, discouraging some actions with the stick of tax penalties and encouraging others with the carrot of tax preferences. But there is no legitimate policy reason for punishing taxpayers with higher taxes just because they happen to be married. The marriage penalties in the Tax Code undermine the family, the institution that is the foundation of our society.

I view this bill as just a start. Our Tax Code will not truly be family-friendly until every single marriage penalty is rooted out and eliminated, so that married couples with twice the income of single individuals are taxed at the same rates, and are eligible for the same tax preferences—including deductions, exemptions, use of IRAs and other savings vehicles—as those single filers. This bill is an important step toward that ultimate goal.

The Democrat criticisms of our bill are misplaced. They argue that our bill contains complicated phase-ins, in contrast to their simple approach. But anyone who reads the bill and their alternative would see that this is false. The Finance Committee bill contains percentages in it, sure enough. And it phases in the relief, that is true. But the percentages and the phase-ins are instructions to the Treasury and the IRS, to make adjustments to the tax brackets. The only people who have to make any new calculations under the Finance Committee bill are the bureaucrats who make up the tax tables, not the taxpayer.

By contrast, the Democrat alternative, in phasing in its relief, requires taxpayers to calculate their taxes as joint filers, then calculate their taxes as if they were single—a complicated process that requires the allocation of various deductions and credits. Next, the taxpayer would have to determine the difference between these two calculations and then reduce this by a certain percentage. That is supposed to be simple? The Democrat substitute adds to the headaches of tax filing and the demand for tax preparers and tax preparation software.

The Democrats also complain that the Finance Committee bill does more than address their narrow definition of the marriage penalty. They invoke the so-called ''marriage bonus.'' But the ''marriage bonus'' is a red herring. What they call a ''marriage bonus'' results from adjusting tax brackets for joint filers to reflect the fact that two adults are sharing the household income. Under the Democrat approach, single taxpayers who marry a nonworking or low-earning spouse should pay the same amount of taxes as when they were single, even though this income must be spread over the needs of two adults.

This approach is fundamentally flawed. The Democrat approach would enshrine in the law a new ''homemaker penalty.'' The Democrats would make families with one earner and one stay-at-home spouse pay higher taxes than families with the same household income and two earners.

But why discriminate against one-earner families? Why would we want a tax code that penalized families just because one of the spouses chooses the hard work of the household over the role of breadwinner? The Democrat alternative discourages parents from staying home with their infant children, and penalizes a person who works longer hours so that a spouse can care for elderly parents. That is just plain wrong.

The Finance Committee bill reduces the marriage penalty in a rational, sensible way, by making the standard deduction for joint filers twice what it is for single filers, and by making the ranges at which income is taxed at the 15 percent and 28 percent rates twice for joint filers what they are for single filers. This recognizes that marriage is a partnership in which two adults share the household income. Our approach cuts taxes for all American families. The Democrats call this a ''bonus.'' We call it common sense.

Mr. GRAMS. Mr. President, today the Senate begins consideration of the first tax reconciliation bill, which would correct the injustice of the marriage penalty. As a long-time advocate of repealing the marriage penalty, I rise to strongly support this legislation and support elimination of the marriage penalty entirely.

First, I'd like to take this opportunity to commend our leaders for bringing up this important legislation. I'd particularly like to commend Chairman ROTH for his leadership on tax relief. He has consistently championed critically needed tax relief that will restore fairness for millions of American families.

This marriage penalty tax relief legislation would increase the standard deduction so that married couples filing jointly get the same deduction as single taxpayers. It expands the 15 percent and 28 percent tax brackets to ensure that 21 million American couples—including 3 million American seniors—pay the same tax rate as unmarried taxpayers. The bill makes Alternative Minimum Tax exemption for family-related tax credits permanent, so families won't be pushed into higher tax brackets.

This bill also takes care of low-income married couples by increasing the threshold of the Earned Income Credit to allow them to enjoy this tax relief. Mr. President, in my view, this is fair, well-balanced legislation by any standard.

There are compelling reasons to eliminate the marriage penalty tax and provide immediate tax relief for millions of married couples:

As I have said many times before in this Chamber, the family has been and will continue to be the bedrock of American society. Strong families make strong communities; strong communities make for a strong America. We all agree that this marriage penalty tax treats married couples unfairly. Even President Clinton agrees the marriage penalty is unfair.

But our tax policy reflects just the opposite. It discourages marriage, punishes married couples, and damages the family—the basic institution of our society.

The Congressional Budget Office reports that 22 million American couples suffered from the marriage penalty in 1999. The average penalty paid by these couples was $1,500.

This wasn't always the case. For over half a century—from 1913, when Washington first imposed the federal income tax, to 1969—the federal income tax treated married couples as well as, or better than, single individuals. Since 1996, however, many married couples every year have had to pay a penalty just for saying ''I do.'' At the time they exchanged their vows, I'll bet most of those couples didn't realize they were also saying ''I do'' to Uncle Sam.

The tax hike of 1993 further aggravated the problem because it added new, higher tax rates. In addition, now that a greater number of households are dual income, that means that more couples are subject to this penalty.

Mr. President, the consequence of this unjust penalty is devastating. It has put an additional financial burden on already overtaxed American families. Here is an example of how this penalty hits the average American:

Alicia Jones from my state of Minnesota and her husband graduated from college and had just begun working full-time two years ago, in professional careers. They had no children and were renting an apartment, saving to buy a house. They had to pay at least an additional $1,500 for simply being married. As a result, on top of the over $10,000 tax they already paid, they had to take an additional $700 from their limited savings account to pay for federal taxes—taxes that they wouldn't have had to pay if they weren't married.

She wrote, ''I am frustrated by this, I'm frustrated for the future—how do we get ahead, when each year we have to take money from our savings to pay more for our taxes. I hope that you will remember my concern.''

Millions of married couples similarly suffer because of this penalty. This is extremely unfair. This was not the intention of Congress when it created the marriage penalty tax in the 1960s by separating tax schedules for married and unmarried people. This unjust marriage penalty also has an adverse social impact, as more and more people delay their wedding just for tax purposes. I have an example of that in my own office. Research also shows that the marriage penalty has discouraged couples from getting married. It has also encouraged some married couples to get friendly divorces. They continue to live together, but save on their taxes.

Clearly, this tax policy has interrupted and distorted the normal lives of many Americans. It should not be allowed to continue.

Repealing the marriage penalty will provide immediate, meaningful tax relief to American families and allow them to keep $1,500 or more each year of their own money to pay for health insurance, groceries, child care, or other family necessities.

In my state of Minnesota alone, over 550,000 couples will benefit from this tax relief and will no longer suffer from this unfair tax.

However, the biggest beneficiaries of the elimination of the marriage penalty tax are working women and low-income families.

Federal tax policy penalizes working women by taxing their income at the highest rate imposed on their husbands' income. Our legislation addresses this injustice by allowing married working women to keep significantly more of their hard-earned money for family needs.

The elimination of the marriage penalty will primarily benefit minority, and low and middle income families. Government data suggest the marriage penalty hits African-Americans and lower-income working families hardest. Couples at the bottom end of the income scale who incur penalties paid an average of nearly $800 in additional taxes, which represented 8 percent of their income. Eight percent, Mr. President. Repeal the penalty, and those low-income families will immediately have an 8 percent increase in their income, larger than for all other income levels.

Despite these facts, some of our colleagues from the other side of aisle still call this a ''tax cut for the rich.'' They seem to have gotten into the habit, whenever they hear the phrase ''tax relief,'' of jumping up and shouting ''tax cut for the rich!'' That's not fair to working Americans who are hit hard by these taxes.

Mr. President, some also argue that marriage penalty tax relief will go to those families who already receive marriage bonuses. The argument does not fold true either. While about 51 percent, or 25 million couples, receive marriage bonuses, this doesn't justify the federal government penalizing another 22 million couples just for being married or for choosing to work.

In addition, most of those who receive marriage bonuses are likely to receive this due to family-related tax credits, such as the $500 per-child credit I passed into law to help a family afford raising children. It is contradictory to allow married couples to receive these credits and then turn around and require them to pay more income taxes for receiving the tax credits. We should give more bonuses to all American families whether both spouses or only one of them are working.

More importantly, the trends show that more couples under age 55 are working, and the earnings between husbands and wives are more evenly divided since 1969. This means more and more couples have received, and will continue to receive, marriage penalties and fewer couples will have bonuses.

Another conventional argument of our Democratic colleagues against tax relief is that the tax relief costs too much. This is a typical Washington way of thinking. They forget the fact that it is the taxpayer's, not Washington's, money in the first place.

Mr. President, it is hard to justify under any circumstances continued punishment of married couples in this country regardless of the costs. Moreover, in this era of record budget surpluses, the so called ''costs'' associated with the repeal of the marriage penalty are just a fraction of the tax overpayments made by working Americans. Over the next 10 years, the federal government will collect over $1.9 trillion in tax overpayments from taxpayers, while the total tax relief in the reconciliation instruction adopted under the FY 2001 budget resolution is merely $150 billion. This is less than 8 cents of every dollar of non-Social Security surpluses collected by the government.

We have also heard some argue that Washington needs tax overpayments to save Social Security and Medicare with an addition of prescription drug benefits. President Clinton has also said that he will support the marriage penalty repeal if prescription drug benefits are added.

Mr. President, I support saving and strengthening Social Security and Medicare, and I support prescription drug benefits for seniors. I have my own plan to do that. I support repealing the marriage penalty tax, the death tax, and the tax on seniors' retirement benefits. But I believe they all should be passed and signed into law on their own merits, and shouldn't be traded against each other.

As a matter of fact, the Administration has never come up with a viable plan to save Social Security. It has blocked bipartisan efforts to strengthen Medicare, including prescription drug benefits. Now it uses this as a cover to deny working Americans the moderate tax refund they deserve.

Mr. President, this is not acceptable.

I have repeatedly argued that American families today are overtaxed, and the surplus comes directly from taxes paid by the American people. It is only fair to return it to the taxpayers. With a huge budget surplus, we can reduce working Americans' tax burden, pay down the national debt, save Social Security, and provide prescription drug benefits for seniors—if the Administration and the Congress have the political will to do so.

In closing, Mr. President, the marriage penalty is simply bad tax policy and we must end it once and for all to restore equity and fairness for working Americans.

Mr. ASCHCROFT. Mr. President, the current tax code is at war with our values—the tax code penalizes the basic social institution: marriage. The American people know that this is unfair—they know it is not right that the code penalizes marriage. Now the Senate is prepared to end this long-standing problem.

25 million American couples pay an average of approximately $1,400 in marriage penalty annually as a result of the marriage penalty. Ending this penalty gives couples the freedom to make their own choices with their money. Couples could use the $1,400 for: retirement, education, home, children's needs.

This bill will also provide needed tax relief to American families—39 million American married couples, 830,000 in Missouri. Couples like Bruce and Kay Morton, from Camdenton, MO, who suffer from this unfair penalty. Mr. Morton wrote me a note so simple that even a Senator could understand it: ''Please vote yes for the Marriage Tax relief of 2000.''

Another Missourian, Travis Harms, of Independence, Missouri, wrote to tell me that the marriage penalty hits him and his wife, Laura. Mr. Harms graciously offered me his services in ending the marriage penalty. ''I would like to thank you for your support and effort towards the elimination of the unfair 'marriage tax.' If there is any way I can support or encourage others to help this dream become a reality, I would be honored to help.''

I am grateful to Travis Harms and Bruce Morton for their support. And I want to repay them by making sure we end this unfair penalty on marriage.

The marriage penalty places an undue burden on American families. According to the Tax Foundation, an American family spends more of their family budget on taxes than on health care, food, clothing, and shelter combined. The tax bill should not be the biggest bill families like the Morton's and Harms' face.

And families certainly should not be taxed extra because they are married. Couples choosing marriage are making the right choice for society. It is in our interest to encourage them to make this choice.

Unfortunately, the marriage penalty discourages this choice. The marriage penalty may actually contribute to one of society's most serious and enduring problems. There are now twice as many single parent households in America than there were when this penalty was first enacted.

In its policies, the government should uphold the basic values that give strength and vitality to our culture. Marriage and family are a cornerstone of civilization, but are heavily penalized by the federal tax system.

The marriage penalty is so patently unfair no one will defend it. Those on the other side of the aisle are making a stab at addressing the marriage penalty, even though they are not willing to provide relief to all couples who face this unfair penalty. Their bill implements a choose or lose system for some couples who are subject to the marriage penalty. Their bill phases out marriage penalty relief, and does not cover all of the couples who face this unfair penalty.

This issue, however, is not about income, it's about fairness. It us unfair to tax married couples more than single people, no matter what their income. The Finance Committee bill provides tax relief to all married couples.

In addition, the Finance Committee bill makes sure that couples do not face the risk of differential treatment. Under the minority bill, one family with a husband earning $50,000 and a mother staying home with her children will pay more in taxes than a family with a combined income of $50,000, with the wife and husband each earning $25,000. This system creates a disincentive for parents to stay at home with their children. The Republican plan will treat all couples equally.

While the minority bill is flawed, I am encouraged that they are finally acknowledging that the marriage penalty is a problem. I am also encouraged that President Clinton has also acknowledged the unfair nature of the marriage penalty. But unfortunately, Treasury Secretary Larry Summers has announced that he would advise the President to veto marriage penalty relief.

I say to the President and to my colleagues on the other side: being against the marriage penalty means that you have to be willing to eliminate it. You cannot just say you oppose the penalty, and then fight to keep the penalty in law, or to keep part of the penalty in law for some people. Join us to

vote for the elimination of the penalty, and let us bring this important tax relief bill to the American people together.

The marriage penalty has endured for too long and harmed too many couples. It is time to abolish the prejudice that charges higher taxes for being married. It is time to take the tax out of saying ''I do.''

MORNING BUSINESS

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

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

EXPLANATION OF ABSENCE

Mr. HUTCHINSON. Mr. President, I ask that the RECORD reflect the purpose of my absence during final passage of H.R. 8, the Death Tax Elimination Act. I departed Washington this morning to attend the wedding of my youngest son, Joshua. I would add that my absence would not have changed the outcome of this vote. If I had been present, however, I would have voted ''aye.''

VICTIMS OF GUN VIOLENCE

Mr. DORGAN. Mr. President, it has been more than a year since the Columbine tragedy, but still this Republican Congress refuses to act on sensible gun legislation.

Since Columbine, thousands of Americans have been killed by gunfire. Until we act, Democrats in the Senate will read some of the names of those who lost their lives to gun violence in the past year, and we will continue to do so every day that the Senate is session.

In the name of those who died, we will continue this fight. Following are the names of some of the people who were killed by gunfire one year ago today.

July 14, 1999: Robert Clayton, San Francisco, CA; River P. Graham, 39, Oklahoma City, OK; Lonzie Harper, Detroit, MI; Angelo Rhodes, 20, Philadelphia, PA; Torris Starks, Detroit, MI; Terrance Wilkins, 28, Nashville, TN; Nathan A. Williams, 26, Oklahoma City, OK; and an unidentified male, 27, Charlotte, NC.

THE ARREST OF KAZAKHSTAN'S OPPOSITION LEADER

Mr. BIDEN. Mr. President, I rise today to highlight the troubled transition from communism to democracy of the largest of the new states in Central Asia, Kazakhstan. That transition is in serious jeopardy because of the authoritarian behavior of Kazakhstan's President, highlighted by the recent capricious arrest of the leader of the political opposition.

There are high-stakes, competing forces at work in Kazakhstan: the promise of huge sums of money to be made from exploiting the country's vast natural resources, and the pull of old dictatorial ways against the nascent democratic movement.

Last month, I met with a man who could help lead Kazakhstan toward true democracy—a former Prime Minister and outspoken critic of the current regime, Akezhan Kazhegeldin.

Unfortunately, the Government of Kazakhstan is doing everything within its power to see that Mr. Kazhegeldin not get this opportunity.

Two days ago, he was detained in Rome on an INTERPOL warrant instigated by the Kazakh Government. The charges, which range from terrorism to money laundering, are regarded by our State Department as trumped up and political in nature.

This morning word came from Rome that the Italian authorities have shared our Government's assessment of the case and that they have released Mr. Kazhegeldin.

But, although I am gratified at this development, the very fact of Mr. Kazhegeldin's arrest is a cause for deep concern for every American who hopes that democracy can take root in every country where Soviet despotism once reigned.

This latest arrest is doubly troubling, because it suggests that authoritarian rulers are having at least temporary success in manipulating international organizations, in this case INTERPOL.

The International League for Human Rights considers Mr. Kazhegeldin's arrest to be a ''particularly serious violation of article 2 of the INTERPOL Constitution'' because the founders of that organization ''were careful to provide that the INTERPOL network could not be used by authoritarian governments to harass their domestic political opponents.''

The real reason for the arrest was the latest in a series of attempts by the President of Kazakhstan, Nursultan Nazarbayev, to suppress his political opposition, which is led by Mr. Kazhegeldin.

The timing is probably not coincidental. Mr. Kazhegeldin had recently offered to testify before U.S. authorities about corruption at the highest levels in Kazakhstan.

This is the second time that President Nazarbayev has had Mr. Kazhegeldin detained by national authorities—there was a similar occurrence in Moscow last fall. In both cases, President Nazarbayev's government filed bogus charges through INTERPOL to have Mr. Kazhegeldin detained.

I understand that our own Department of Justice has routinely ignored such INTERPOL notices concerning Mr. Kazhegeldin.

In an even more sinister vein, the harassment against Mr. Kazhegeldin's associates has turned to physical violence—his press aide was stabbed in Moscow recently.

Mr. President, the stakes in Kazakhstan are extraordinarily high. The country is four times the size of Texas and is blessed with energy resources that even the Lone Star State would envy.

For example, it has proven oil reserves of some 15½ billion barrels; areas under the Caspian Sea may yield up to another 30 billion barrels.

Estimates of natural gas reserves range from 3 to 6 trillion cubic meters. In addition, there are rich deposits of minerals such as copper, zinc, chromium, and uranium.

The Tengiz oil field is currently being worked by U.S., Russian, Kazakh, and other companies. Construction is underway on a pipeline to the Russian port city of Novorossiisk, and Central Asian leaders have signed agreements with Turkey for a Baku-Ceyhan route.

But this energy wealth is prospective for now. The big fields have not yet begun to yield, and the country remains poor.

Kazakhstan's political landscape remains as undeveloped as its oil fields. Elections have been marked by irregularities to the point where international monitors agree that they have not met democratic standards. In fact—and this speaks volumes about the arrest in Rome—President Nazarbayev was re-elected in 1999 by banning his only real opponent, none other than Akezhan Kazhegeldin.

Human rights abuses have been reliably documented and include extrajudicial killings, harsh prison conditions, and torture of detainees.

The press in Kazakhstan has been constrained by President Nazarbayev's desire to curb those who would ''harm the country's image in the world.'' In addition, the government owns and controls significant printing and distribution facilities and subsidizes publications. Restraints on the press are severe enough that self-censorship is now practiced.

The right of free assembly is restricted by law and by the government. Organizations must apply 10 days in advance to hold a gathering, and local authorities are widely reported to deny such permits. In some instances, demonstrators have been fined or imprisoned.

There is, however, one piece of good news, in the area of weapons nonproliferation. Kazakhstan, which was one of four nuclear states formed out of the dissolution of the Soviet Union, has been a vigorous partner with the United States in the elimination of weapons of mass destruction. In 1995, President Nazarbayev announced that his country was no longer a nuclear power, after the last of its nuclear warheads had been removed to Russia.

On the negative side, however, government officials of Kazakhstan illegally sold 40 Soviet-built MiG 21 fighter jets to North Korea. The officials implicated in the sales have received only minor punishment.

The United States has worked with Kazakhstan and the other Central Asian states to promote democracy, economic reform, development of the energy sector, and other goals. In Kazakhstan alone, we provided $600 million in assistance from 1992 to 1999.

It is important to note that the Silk Road Strategy Act, passed by this Congress, specifically calls for increased aid to support conflict resolution in the region, humanitarian relief, economic and democratic reform, and institution-building.

Finally, the United States has pursued a policy of vigorous engagement with the Government of Kazakhstan, including visits to that country by Secretary of State Albright and First Lady Hillary Clinton. We have also received many of their leaders in Washington, including President Nazarbayev.

Kazakhstan, for all of its failings, is important to global security—because of its location, because of its wealth of energy resources, and because of its commitment to remain a nuclear weapons-free state.

But no matter how important Kazakhstan is, the United States must forcefully remind President Nazarbayev that acts of harassment such as the arrest of Mr. Kazhegeldin endanger the good relations between our two countries. He must be made to see the benefits of democracy and a free market economy, and the blind alley of authoritarian cronyism.

Therefore, I call upon President Nazarbayev to stop his harassment of Mr. Kazhegeldin and the rest of the legitimate political opposition in Kazakhstan. It is these attacks—not the legitimate activities of the political opposition—that are serving to tarnish the reputation of Kazakhstan. This political repression makes the developed nations—whose support and investment Kazakhstan desperately needs—wary of economic involvement there.

The United States can work in partnership to build a better life for the people of Kazakhstan, but only if President Nazarbayev understands that political democracy must go hand-in-hand with economic development.

UNMANNED COMBAT VEHICLE INITIATIVE

Mr. WARNER. Mr. President, since January, I have been working on an initiative that deals with introducing new cutting-edge technology into the combat arms of our Armed Services. The initiative is to have one-third of our airborne deep strike aircraft remotely operated within 10 years, and one-third of our ground combat vehicles remotely operated within 15 years.

I asked one of our ''Captains of Industry,'' Mr. Kent Kresa, the Chief Executive Officer of Northrop Grumman, for his assessment of the technical feasibility for such an undertaking. He expressed his unqualified support for the initiative, saying that it was certainly feasible from a technical viewpoint. His thoughts have been published in the July 2000, issue of National Defense, the magazine of the National Defense Industrial Association. I ask unanimous consent this article be printed in the RECORD.

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

[From National Defense, July, 2000.]

FOR UNMANNED SYSTEMS, THE TIME HAS COME

(By Kent Kresa)

Today's technology gives us the ability to do things in different ways. All we really need is determination. In preparing for future conflicts, the area of unmanned systems is one where institutional determination has not matched technological reach. But that may be about to change.

Sen. John Warner, R–Va, chairman of the Armed Services Committee, recently announced that he supports efforts to make one-third of the U.S. operational deep strike aircraft unmanned by 2010, and one-third of ground vehicles unmanned by 2015.

Such a significant change in how the United States conducts military operations would have a profound impact on future national security efforts. Having spent many years of my career in the defense industry working on unmanned systems, I believe Warner's goals are reasonable aspirations. In my view, such an acceleration reflects both a technological possibility and an operational necessity. Certainly, there are technological challenges to be overcome, but the greatest obstacle may be our past experiences and concepts.

A senior defense official commented last year that, by the year 2050, there will be no manned aircraft in the military inventory. A growing number of senior officers see this transition as inevitable. However, most do not see it as imminent. The 50-year period suggested in that observation approximates the chronological distance separating Kitty Hawk from Sputnik.

Although there are certainly issues to be resolved, particularly regarding command and control, we know considerably more today about building and controlling unmanned vehicles than the Wright Brothers did about rocketry.

Certainly, there are those who harbor reservations about unmanned systems. But I have been surprised at the growing acceptance of these technologies across the Defense Department. Field commanders, in particular, increasingly are confident and comfortable about conducting unmanned strikes. During Operation Desert Fox—the fourth-day campaign against Iraq in December 1998—72 percent of the strikes were conducted by unmanned cruise missiles. By comparison, during the first four days of Operation Desert Storm in 1991, only 6 percent of the strikes were conducted with cruise missiles.

Although the scales of these two operations were significantly different, this dramatic shift to unmanned strike systems reflects a fundamental operational change.

As Gen. Michael Ryan, Air Force chief of staff, has commented on several occasions, cruise missiles and other standoff munitions are merely unmanned aerial vehicles (UAVs) on a ''one-way trip.'' Transitioning to UAVs that are re-usable and capable of making numerous trips dropping less costly precision munitions is within our near-term technological ability.

Calculations suggest that in fewer than 10 missions, unmanned combat air vehicles (UCAVs) dropping ordnance similar to Joint Direct Attack Munition (JDAM) become considerably more cost-effective than cruise missiles. Furthermore, these calculations do not consider additional cost savings resulting from lower manning and routine operational costs.

In the intelligence, surveillance and reconnaissance (ISR) mission area, UAVs already are well accepted. The recent testimony before the Senate Armed Services Committee by Gens. Wesley Clark and Anthony Zinni, commanders-in-chief of two of our more important regional commands, reflects this trend. Both articulated the need for a larger number of UAVs for ISR missions that ''are 24-hour-a-day capable and are adverse-weather capable.''

In my view, this is a near-term possibility. Assets such as the Global Hawk system provide such a capability. When teamed with other key ISR assets, such as the joint surveillance target attack radar system (JSTARS) and the airborne warning and control system (AWACS), U.S. commanders will have a formidable capability for seeing their operational area in real-time, in all weather. Other assets—such as the Predator UAV, the Army's new tactical UAV, and the Navy's vertical take-off UAV—will offer high-fidelity battlefield surveillance to tactical commanders.

ORGANIZATIONAL ISSUES

There are numerous tactics, techniques, and procedures, as well as organizational and operational issues to be resolved on how all of these systems work together, and how they are-controlled and integrated to form a common operational picture. But the work currently under way by the Joint Forces Command's experimentation program will highlight the major issues and suggest reasonable solutions.

A study on unmanned systems conducted by the Government Electronics and Information Technology Association (GEIA) last fall concluded that in all areas—air, land and sea—both institutional and technological barriers to the expanded use of unmanned systems were dropping rapidly. The report concluded that a heavy reliance on UAVs in both the ISR and attack roles would happen sooner, rather than later. This suggest that others in industry, as well as the government, share this perspective.

Unmanned systems address two pressing problems. First, not only will they be less expensive to build, but their ownership costs will be lower. Since the aircraft fly themselves, their ''mission managers'' can be trained on simulators. The aircraft can be kept in storage until needed, thus lowering operations and maintenance costs that currently consume a high percentage of the defense budget.

Second, unmanned systems empower our troops, while lowering the risks that they assume. In an age where manpower is becoming more expensive, and sensitivity to casualties more prominent, performing ''dirty and dangerous'' missions with unmanned systems is likely to become an imperative. Moreover, by removing the real constraints associated with having humans on board, unmanned systems can provide greater range, greater mission endurance, and great agility. Such systems expand the options available to national and operational leaders.

The issue of greater use of UAVs is less ''can we do it?'' than ''do we want to do it?'' In my view, the first question is already answered: We can do it. The second question is a function of institutional commitment and funding. Warner's bold vision is certain to stimulate discussion that will inevitably lead others to the conclusion that several factors—strategic, operational, and fiscal—

indicate that we must make this transformation. When that question is resolved, those of us in the defense industry are confident that we are prepared to do our part in making that vision a reality.

SEMINAR ON THE GEORGIA REPUBLIC

Mr. BROWNBACK. Mr. President, in May 2000, a delegation from Georgia attended a five-day seminar in western Sicily to help further a culture of lawfulness in Georgia. The delegation consisted of government officials as well as senior educators, representatives from the Orthodox Church, and the media. The program was organized by two non-governmental organizations—the National Strategy Information Center in Washington, D.C. and the Sicilian Renaissance Institute in Palermo, Sicily—with financial assistance from the City of Palermo and the U.S. Department of State. The seminar featured presentations on key aspects of the Sicilian Renaissance as well as one-on-one meetings between Georgians and their Sicilian counterparts to discuss specific programs that could be implemented in Georgia. The focus was on how in recent decades cultural change in Palermo and other parts of Sicily helped reduce crime and corruption, the lessons from the Sicilian experience that may have applicability to Georgia, and how the Sicilian experience can be modified or replicated in Georgia. The consensus of the Georgian delegation was that the achievements of the Sicilians were remarkable and that many of the practices that have been effective in Sicily are applicable to the prevention of crime and corruption in Georgia. The delegation is now developing culture of lawfulness programs with specific products, and methods of evaluation. Additional sectors of society such as the police, social workers, NGO's will become involved as progress is made.

Mr. President, this program is one that attempts to go to the root of one of the major problems left over from decades of communist rule: corruption. The National Strategy Information Center should be commended and encouraged in these types of programs. This is exactly the kind of program we should be encouraging not just in Georgia but in the other Silk Road countries as well.

I request unanimous consent that the following article from the Giornale di Sicilia (Palermo) be printed in the RECORD with my remarks. It is an interview with Vakhtang Sartania, Rector of the Pedagogical University of Tblisi, Georgia, and head of the delegation visiting Sicily, about the visit to Sicily.

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

[From the Giornale di Sicilia (Palermo), June 5, 2000.]

TBILISI. IN PALERMO FOR LESSONS OF LAWFULNESS

(By Franco Di Parenti)

Palermo. ''Being in Sicily is like being at home. There are lots of similarities between this country and Georgia: here, too, people are straightforward, well-disposed towards others and proud of their culture; even nature is very similar.'' Vakhtang Sartania is about to leave Palermo and, together with some souvenirs, he is bringing back in this suitcase the image of a city that he found different from the usual cliche. And he tells it with great enthusiasm. Sartania is the Rector of the Pedagogical University of Tbilisi, the capital (twinned with Palermo) of the former Soviet State of Georgia; he led a delegation, invited by the Sicilian Renaissance Institute and the City of Palermo, that had meetings at all levels for five days in order to understand what ''Palermo's spring'' is about, what the ''culture of lawfulness'' of which Leoluca Orlando speaks so much consists of, and how it happened that in the city of the mafioso terror there are today only a few murders. It was not be change that the Georgian delegation included mostly educators, plus an orthodox priest from the Academy of Clergy, and only one specialist in national security.

''Perhaps,'' Sartania says ''the image which most impressed me was that of a schoolboy, Umberto, who during our visit came up to Mayor Orlando and patted him on the arm, showing how happy he was to meet him.''

It can be read as a sign of a new relationship between citizens and institutions * * *

''It surely can. You see, I come from a country that has experienced war and has only recently regained freedom. But, just like Sicily, Georgia too has given a remarkable contribution to the world culture. That's why I was very pleased to see Palermo so lively from the civil point of view, and I think that credit for this must be given to the Church and Mayor Orlando, who can be considered the symbol of such transformation.''

Did Palermo appear to you different from what you expected?

''Movies and books often give us a different image of this country, and I must admit that I expected to find here a gloomier atmosphere. Perhaps many, even in my country, think it to be still so; the truth is that you have nice people and nice cities here. Anyway, I was expecting a city different from the way it is usually described.''

What did this feeling originate from?

''From past contacts between Sicilians and Georgians. For instance, in 1968 some earthquake refugees from the Belice Valley were given hospitality in my country for some time. And since Sicilians don't like to feel in debt, six years ago some Sicilian families began to give hospitality to children coming from Abchasia, A Georgian region with many difficulties''.

You came here to understand what's behind local successes in the fight against the Mafia. Is your country too menaced by organized crime?

''Georgia has a very important geo-political position because it connects Asia with Europe. Commercial links have just started being developed, such as those in the oil sector or the so-called ''silk route''. There's the risk that organized crime may infiltrate into or exploit such links for illicit traffic. We must be ready to avoid it. Above all, we must work on prevention''.

Is this the reason why your delegation consists mostly of educators?

''Your experience in combating the Mafia is very interesting, and we look at the promotion of a ''culture of lawfulness'' with special attention. We must transmit positive values, such as patriotism and tolerance, and must invest resources in that direction. In our current phase, so delicate for our country, we must explain that welfare is good, but it has to be legal; that family has a great value; that family, school and society are the foundations of an educational system. But I wish also to add that our relationship must be based on a two-way exchange. We've got a lot to learn, but others too can learn from us.''

[From the Press-Office of the President of Georgia, July 11, 2000]

STATEMENT OF THE PRESIDENT OF GEORGIA, E. SHEVARDNADZE

My fellow compatriots, I would like to draw your attention to one of the urgent problems facing Georgia.

Yesterday I signed the Decree on the ''National Anticorruption Program'', according to which a special authorized group of the highest level was established, headed by Mr. Lado Chauturia, Chairman of the Supreme Court of Georgia.

This group shall elaborate several stages of the anticorruption program, oriented on various trends, which will be the ground for very radical actions and corresponding policy.

There is no time left, the situation is unbearable, our society expects the urgent measures from us.

I would say, that I made this very hard decision after beginning of the process of economical improvement in the country. It is

enough to say, that in the first part of the current year the Gross Domestic Product has increased by 5 percent, and the industrial output by—11 percent in comparison with the same period of the last year. The export volume is increasing, and it is important, that since 1998 the change in the tax incomes' gross has taken place for the first time.

All I said indicates that the country will definitely overcome the both—the budgetary and the financial crisis; the significant economic growth will occur, the problems related to unpaid salaries, pensions and other kinds of payments will be solved as well as those of social assistance.

But the success will be temporary only; the country will fail to recover entirely, if we do not have the clear, exact and active anticorruption program as a firm basis for it.

Let me label this social disease as ''malignant tumor'', that is removable with pain, but necessary measures should be taken urgently.

I should be fair and remind you—much was done during the last 4 years in order to set some limits to ''corruption space'' and for creation of the anticorruption basis in Georgia.

Proper legislative system was created and that is very important. Criminal, Civil and Administrative Codes reflecting contemporary realities and national specific nature were worked out and approved. The common courts and Supreme Court have the new legislative basis.

Many laws have been approved, intended against the corruption processes in the society. The law ''On Licenses'', ''On State Purchase'', ''On Monopoly Activities and Competition'' and many others are among them.

The law ''On Conflict of Interests at Public Service and Corruption'' is worth to mention on the ground of which Information Bureau for Ownership and Financial State of Higher Officials has done a large-scale work.

The judicial reform has been carried out—the penitentiary system was subordinated to the Ministry of Justice.

Two thousand persons were arrested within last three years for committing crimes like abuse of one's position and misappropriation of State property. The six hundred of them have been already imprisoned.

These facts seem to prove the intensity of our struggle, but our efforts are not still enough. At the same time, one must consider the unfit system of the law enforcement bodies extremely hard material and financial conditions of the employees, poor technical basis.

Yet, I believe, that law enforcement bodies and reforms therein are of great importance and they will intensify combat of corruption.

They should not wait final preparation of the program but intensify the activities for establishment of the corresponding fund.

The interested bodies have suggested the several versions of the anticorruption program.

Most of them are interesting and I would emphasize the suggestions of the local administrations, local self-governing bodies, and of course, the corresponding Parliamentary Committees.

As for my yesterday's special Decree about the anticorruption program, I have already said, it has a very important function and liabilities.

Well, I think I must share several opinions.

The first conceptual thesis is that the corruption has reached the crucial level with its scale and nature, that makes dubious almost every State initiative and implementation of some Governmental programs.

Unfortunately, the high level of the corruption has damaged authority not of the Government only, but of the Georgian independent state.

The fulfillment of both interior and foreign priorities is immediately connected with the necessity of suppressing corruption.

I am not departing from my responsibility and am fully responsible for this situation.

But nobody should forget that President of the State is able to do only what the society and the whole country are capable of performing.

Since the end of the civil war and bloody conflicts, and until now, I had to compromise on some issues, in order to rescue the other more important and more priority values for the moment.

Last 8 years of my governing have been devoted to turning of almost ill independent Georgian State into a healthy one, and to create it in fact.

That's why I had to make a hard choice concerning, problems to be solved on the first stage and proper use of our poor resources more effectively.

Once more, I declare with all responsibility: nowadays nothing can be of more important issue for Georgia's society and State development, than combating corruption.

All other issues must be subordinated to the settlement of this strategic issue.

The second: the long-term and detailed analysis of the corruption as a phenomenon in the country allows me to conclude the following: In spite of some proper programs, the anticorruption activities up to now produced no desirable results. The local programs failed to create proper State mechanisms, able to solve the problems.

In other words, the solving of the State-scale problems appeared impossible within the framework of the separate actions. Even the judicial reform, quite effective anticorruption action by itself was not enough evidently.

It goes without doubt, that in order to solve large-scale State problems, it is necessary to elaborate a multistage statewide program.

Meanwhile, the program must be supported by the consequent actions systems, finances, and social-political factors and by the active support in the society.

The third: My long-term experience of being at the wheel of the country, has assured me that unprepared actions hear only a campaign, surface character and can yield only temporary results.

In some cases, the populist impulsiveness may only aggravate the problem. So, instead of recovery from the grave disease we are likely to get the opposite result.

That is why I acted so carefully.

That's why, I consider it both necessary and possible to undertake the radical measures after common State program for complex anticorruption policy was prepared. I would say, the national program and the corresponding executive mechanism will be created.

As we established the anticorruption service and some corrupted officials have been arrested, I could have earned more ''grades'' in the pre-electoral period, but I am sure, that we would not be able to combat corruption, and that would only worsen the situation by populist actions.

The fourth: working out of the anticorruption program will be the ultimate step for the fulfillment of my main purpose—to combat corruption in Georgia for good.

I am sure, that after recovery from the disease, the Georgian State will be healthy and sound, and Georgian people will have own everlasting prospects of the national development.

I declare that the statement of the anticorruption program that will be submitted to me by the group, working on it presently will be a cornerstone of my policy during the second term of my Presidency, as it is economic growth at present stage.

The same statement and recommendations define the purposes and rights of the special anticorruption service or the anticorruption committee.

The necessity of creation of such a body is the topic of a large-scale discussion in the society, which must be continued.

The fifth: the members of the group, working at the program, (it is remarkable, that the number of the group's members may be enlarged, if necessary), as well as the invited guests (I mean the well-known foreign experts), must gain the trust and create the necessary authority in the society, important for implementation of the program.

This group will depart from narrow political interests. It will realize a super-party, nationwide mission and shall cooperate with those political forces, for which corruption is national insult, humiliation of national dignity, source of national and social jeopardy and not the life style.

The sixth: I completely understand the great national importance of these tasks. I have made this strong decision. My political will is firm. I address to my adherents, companions, the members of government, parliamentarians; I categorically demand from them to accept president's will with complete responsibility and understanding.

The first victims of anti-corruption policy should be those unkind officials and statesmen, who are determined to reach their aims and goals by using their positions, enjoying partisan or relationship links with me for their own prosperity and not for strengthening the national buildup.

The seventh, I strongly believe that anticorruption activities will receive complete support from the citizens of Georgia and from the whole Georgian society. At the same time, all of us need to acknowledge our civil and national responsibilities.

In this complicated and non-compromising combat, we, the society and government, must defend the superiority of justice and law, we must categorically exclude the efforts of mutual punishment, blackmailing and civil counteract.

I gave a special importance to the support and principal attitude of the press, primarily television and mass media at large.

The Georgian media is our democracy's important achievement. For several times, it showed veritable national, patriotic attitude toward the national affair and devotion toward any national interest.

Even more patriotism and intense sense of responsibility are necessary today.

In the process of being of vital importance, the unity of words and actions must turn into principal measure and basis of patriotism for every citizen and government official.

More than this, during the program elaboration, and while its implementation, no single agency shall avoid the responsibility that it invested in it by the law and all agencies shall be obligated to fight against corruption.

I want to add that to combat corruption with some repressive methods implies a certain preventive system, an active application of economic lever and mechanism, the restriction and suppression of criminals in the economic sphere.

I don't suspect that in the present circumstances, when the society has realized the importance of such a destructive vice, with joint will and endeavor Georgia can overcome this problem and recover from such a shameful disease as corruption represents itself.

In response, our generation will regain the right and honor to look into the face of the next generation proudly and create healthy, honest and democratic order in Georgia.

It is my firm decision and I will use all my strength, experience and facility to realize it.

And now, let me announce the Decree.

''On Elaboration of National Anti-corruption Program''

''Taking into consideration the scale and the complexity of the corruption and to increase the effectiveness of activities for its suppression a national group shall be set up to the office of President of Georgia. The group with the following membership shall develop the anti-corruption program:

1. Lado Chanturia—Chairman of Georgian Supreme Court, Head of the Group;
2. David Usuposhvili—Lawyer, Executive Secretary of the Group;
3. Gia Nodia—Director, Caucasus Institute for Peace, Democracy and Development;
4. Sulkhan Molashvili—Chairman of Georgian Chamber of Control;
5. Levan Dzneladze—First Deputy of Georgian Minister of Finances;
6. Nana Devdariani—Georgian Public Defender;
7. Gia Meparishvill—Member of Parliament;

The task group shall present the main trends of the program by September 20, 2000. The essential components and plans will be implemented before the final presentation of the program. The deadline of developing and publishing complete version of national anti-corruption program is fall, 2000.

While working out national anti-corruption program the Group shall:

Gather, analyze and collect recommendations of international organizations concerning corruption in Georgia, programs worked out in governmental structures, research agencies and ideas based on private initiatives shall be presented to the Group;

Be provided with the idea of the national consensus—to negotiate with each interested person, political and social groups;

Work out a specific mechanism to make a program taking into account society involvement and their proposals and opinions;

Explore, analyze and use experience in corruption problems of foreign countries and leading international governmental and non-governmental organizations;

Define the separate sections of anti-corruption system, provide their systematic description, (legislative base, institutional structure, political system, economical base, moral, psychological preceding, etc. . . .) and explain the relationship concerning reasons and results, hence, set up a system of priorities;

Elaborate on political, financial, institutional, legislative and personnel staff providing schemes for anti-corruption program implementation;

Analyze acting legislation of Georgia, make complex program of legislative amendments and thus eradicate those legislative defects that promote formation of corruption based relations or hinder effective struggle against corruption;

Study the relations of separate national traditions to corruption-based relations spread all over the country and take appropriate measures;

Make a prognosis for main obstacles expected on the definite stages of project implementations process and define the ways to avoid them;

According to definite program activities make a prognosis for the most afflicted social groups and regions and plan to take social protection measures;

Seek and invite Georgian and foreign specialists to elaborate on concrete problems and thus to arrange working conditions for at least two specialists on every issue;

Discuss the materials offered by experts, plan to take concrete measures in definite directions and unite them within the frames of complex anti-corruption program stages;

Define the mechanisms for the monitoring of program implementation process and for adequate reaction towards variable environment;

Present concrete recommendations concerning anti-corruption activities to the president of Georgia in case of demand, or by private initiative, in case of especially important issues;

Demand from every state and local administration requested information in timely order without any obstacles.

We acknowledge that foreign countries and international organizations and/or missions acting in Georgia shall provide active support and give necessary assistance (including financial aid) to the Group;

Non-governmental organizations, political units and representatives of public society shall be urged to cooperate with the group and respond their requests on time;

The group shall work out the working schedule within next week. It should be taken into consideration that a special anti-corruption plan and materials thereof are designed at the national Security Council to President of Georgia and according to the order of President of Georgia will be handed over to the Group to utilize them while working process.

The members of the Group who are not in civil service shall receive their salary from exploring funds of the Program;

The executive secretary shall provide administrative and technical arrangements for the Group.

COMMENDING SENATOR CARL LEVIN

Mr. REID. Mr. President, I want to talk about Senator CARL LEVIN, the ranking member for the Democrats on the very important defense committee of this Congress.

The Democrats could not be more proud of any Senator than we are of CARL LEVIN. We are so comfortable with him at the helm of this important aspect of what takes place in this country; that is, the preparedness of our military. He has a great working relationship with Senator WARNER. This bill was an extremely difficult bill. It simply could not have been completed without the expertise, the concern, and the respect Senator LEVIN has with his colleagues. I want to make sure the RECORD reflects that.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2001

Mr. MCCAIN. Mr. President, I rise today in support of S. 2549, the National Defense Authorization Act for FY2001. Included in the bill that passed today are several amendments that will significantly improve the lives of active duty members, reservists, military retirees, veterans, and their families.

These amendments greatly improved the version of the bill that came out of the Armed Services Committee. I had voted against reporting the bill out of the Committee because it did not include important measures for military personnel and neglected the issue of defense reform.

The critical amendments that were included in the legislation that passed today will: remove servicemembers from food stamps; increase pay for mid-grade Petty Officers and Non-Commissioned Officers; assist disabled veterans in claims processing; restore retirement pay for disabled military retirees; provide survivor benefit plan enhancements; authorize a low-cost life insurance plan for spouses and their children; enhance benefits and retirement pay for Reservists and National Guardsmen; authorize back-pay for certain WWII Navy and Marine Corps Prisoners of War; and provide for significant acquisition reform by eliminating domestic source restrictions on the procurement of shipyard cranes.

One of the areas of greatest concern among military retirees and their families is the ''broken promise'' of lifetime medical care, especially for those over age 65. While the Committee had included some key health care provisions, it failed to meet the most important requirement, the restoration of this broken promise.

With severe recruitment and retention problems still looming, we must better compensate our mid-grade enlisted servicemembers who are critical to leading the junior enlisted force. We have significantly underpaid enlisted servicemembers since the beginning of the All-Volunteer Force. The value of the mid-grade NCO pay, compared to that of the most junior enlisted, has dropped 50% since the All-Volunteer Force was enacted by Congress in 1973. This pay provision for the mid-grade enlisted ranks, up to $700 per year, plus the food stamp pay provision of an additional $180 per month for junior enlisted servicemembers, provides a significant increase in pay for enlisted servicemembers.

The National Guard and Reserves have become a larger percentage of the Total Force and are essential partners in a wide range of military operations. Due to the higher deployment rates of the active duty forces, the Reserve Components are being called upon more frequently and for longer periods of time than ever before. We must stop treating them like a ''second-class'' force.

I would like to emphasize the importance of enacting meaningful improvements for our servicemembers, their families and their survivors. They risk their lives to protect our freedom and preserve democracy. We should compensate them adequately, improve the benefits to their families and survivors, and enhance the quality of life for the Reserves and National Guard in a similar manner as the active forces.

Each year the number of disabled veterans appealing their health care cases continues to increase. It is Congress' duty to ensure that the disability claims process is less complex, less burdensome, and more efficient. Likewise, we should restore retirement pay for disabled military retirees.

I would also like to point out that this year's defense authorization bill contained over $1.9 billion in pork—unrequested add-ons to the defense

budget that robs our military of vital funding on priority issues. While this year's total is less than previous years' it is still $1.9 billion too much. We need to, and can do better. I ask that the detailed list of pork on this bill be included in the CONGRESSIONAL RECORD following my remarks.

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

(See Exhibit 1.)

Mr. MCCAIN. In conclusion, I would like to emphasize the importance of enacting meaningful improvements for active duty and Reserve members. They risked their lives to defend our shores and preserve democracy and we can not thank them enough for their service. But we can pay them more, improve the benefits for their families, and support the Reserve Components in a similar manner as the active forces.

We must ensure that the critical amendments that I have outlined survive the Conference process and are enacted into law. Our servicemembers past, present, and future need these improvements, and the bill that we passed today is just one step on the road to reform.

EXHIBIT 1

DEFENSE AUTHORIZATION ACT (S. 2549) FOR FY2001 ADD-ONS, INCREASES AND EARMARKS

	Dollars (in millions)
TITLE I, PROCUREMENT	
Army Procurement (none)	
Navy Procurement:	
Airborne Low Frequency Sonar (ALFS)	6
Allegany Ballistics Lab GOCO	7.7
LHD–8 Advanced Procurement	46
Adv Procurement DDG 51	79
MSC Thermal Imaging Equipment	4
Integrated Condition Assessment System (ICAS)	5
Side-Scan Sonar	5
Joint Engineering Data Management & Info Control (JEDMICS)	4
AN/SPQ–9B Gun Fire Control Radar	4
NULKA Anti-Ship Missile Decoy	4.3
Marine Corps Procurement: Improved Night/Day Fire Control Observation Device (INOD)	2.7
Air Force Procurement:	
C–17 Cockpit System Simulation	14.9
C–17 A/C Maintenance System Trainer (AMST)	11.5
Combat Training Ranges	20
TITLE II R, D, T, and E	
Army R, D, T & E:	
Composite Materials	6
Advanced missile composite component	5
Ballistics Technology	3.5
Portable Hybrid Electric Power Research	1.5
Thermoelectric Power Generation for Military Applications	1
Operational Support	4
Equipment Readiness	8
Fuel Cell Auxiliary Power Units	4
Enabling Technologies for Future Combat Vehicle	46.3
Big Crow	7
Simulation Centers Upgrades	4.5
Family of Systems Simulators	3
Army Space Control	5
Acoustic Technology	4
Radar Power Technology	4
Scramjet Acoustic Combustion Enhance	2
Aero-Acoustic Instrumentation	4
Supercluster distributed Memory	2
SMDC Battlelab	5
Anti-malaria Research	2
SIRFC/ATIRCM	38.5
Threat Virtual Mine Simulator	2.5
Threat Information Operations Attack Simulator	2.1
Cost Reduction Effort MLRS/HIMARS	16
Design and Manufacturing Program	2
Center for Communications and Networking	5
Navy R, D, T & E:	
Free Electron Laser	5
Biodegradable Polymers	1.25
Bioenvironmental Hazards Research	3
Nontraditional Warfare Initiatives	2
Hyperspectral Research	3
Cognitive Research	3
Nanoscale Sensor Research	3
Ceramic and Carbon Based Composites	2
Littoral Area Acoustic Demo	3
Computational Engineering Design	2

DEFENSE AUTHORIZATION ACT (S. 2549) FOR FY2001 ADD-ONS, INCREASES AND EARMARKS—Continued

	Dollars (in millions)
Supply Chain Best Practices	2
Virtual Tested for Reconfigurable Ship	2
Modular Composite Hull	4
Composite Helo Hangar Door	5
Advanced Waterjet-21	4
Laser Welding and Cutting	2.8
Ocean Modeling for Mine and Expeditionary Warfare	3
USMC ATT Initiative	15
Minesweeper Integrated Combat Weapons Systems	5
Electric Motor Brush Technology	2
Advanced Composite Sail Technology	2.5
Shipboard Simulation for Marine Corps Operations	20
Common Command and Decision Functions	10
Advanced Amphibious Assault Vehicles	27.5
High Mobility Artillery Rocket System	17.3
Extended Range Guided Munition	10
Nonlethal Research and Technology Development	8
NAVCIITI	4
Parametric Airborne Dipping Sonar	10
Advanced Threat Infrared Countermeasures	8
Power Node Control Center	3
Advanced Food Service Technology	2
SPY–3 and Volume Search Radar	8
Multi-purpose Processor	15
Antenna Technology Improvements	5
Submarine Common Architecture	5
Advanced Tactical Software Integration	4
CVN–77, CVN(X), and Nimitz Class Smart Product Model	10
NULKA Dual Band Spatially Distributed Infrared Signature	2.1
Single Integrated Human Resources Strategy	3
Marine Corps Research University	3
Reentry System Application Program	2
Joint Tactical Combat Training System	5
SAR Reconnaissance System Demonstrator	9
Interoperability Process Software Tools	2
SPAWAR SATCOM Systems Integration Initiative	2
Distributed Engineering Plant	5
Air Force R, D, T & E:	
Resin Systems for Engine Applications	2
Laser Processing Tools	4
Thermal Protection Systems	1.5
Aeronautical Research	6
Variable Displacement Vane Pump	3
PBO Membrane Fuel Cell	5
Aluminum Aerostructures	3
Space Survivability	5.6
HAARP	7
Integrated Demonstration & Applications Laboratory (IDAL)	6
Fiber Optic Control Technology	2
Miniature Satellite Threat Reporting System (MSTRS)	5
Upper Stage Flight Experiment	5
Scorpius	5
Space Maneuver Vehicle	15
Solar Orbital Transfer Vehicle (SOTV)	5
Micro-Satellite Technology (XSS–10)	12
Composite Payload Fairings and Shrouds	2
SBL Integrated Flight Experiment (IFX)	30
Airborne Laser Program	92.4
RSLP GPS Range Safety	19.2
SATCOM Connectivity	5
BOL Integration	7.6
Hyperspectral Technology	2
Extended Range Cruise Missile	86.1
Global Air Traffic Management	7.2
Lighthouse Cyber-Security	5
B–2 Connectivity	3
U–2 Syers	6
Improved Radar for Global Hawk	6
Global Hawk Air Surveillance Demonstration	12
Defense Wide R, D, T & E:	
Personnel Research Institute	4
Infrasound Detection Basic Research	1.5
Program Increase	15
Chemical Agent Detection-Optical Computing	2
Thin film Technology	3
Wide Band Gap	2
Bio-defense Research	2.1
Hybrid Sensor Suite	8
High Definition Systems	7
Three-Dimensional Structure Research	3
Chem-Bio Detectors	5
Blast Mitigation Testing	3
Facial Recognition Access Control Technology	2
Magdalena Ridge Observatory	9
Wide Band Gap	10
Excalibur	3
Atmospheric Interceptor Technology	15
Chem-Bio Individual Sampler	2.7
Consequence Management Information System	6.4
Chem-Bio Advanced Materials Research	3.5
Small Unit Bio Detector	8.5
Complex System Design	5
Competitive Sustainment Initiative	8
WMD simulation Capability	5
HAARP	5
Integrated Data Environment (IDE)	2
Advanced Optical Data and Sensor Fusion	3
Advanced Research Center	6.5
KE–ASAT	20
WMD Response System	1.6
Information Operations Technology Center Alliance	5
Trust Rubix	1.8
Cyber Attack Sensing and Warning	20
Virtual Worlds Initiative	2
Smart Maps	2
NIMA Viewer	5
JCOATS–IO	5
Information Assurance Testbed	5

DEFENSE AUTHORIZATION ACT (S. 2549) FOR FY2001 ADD-ONS, INCREASES AND EARMARKS—Continued

	Dollars (in millions)
Advanced Lightweight Grenade Launcher	5.6
Operational Test & Evaluation, Defense, RDT & E:	
Central T & E Investment Development (CTEIP) Program Increase	20
Reality Fire-Fighting Training	1.5
TITLE III OPERATIONS & MAINTENANCE	
Army O&M:	
Range Upgrade	50
Battlefield Mobility Enhancement System	10
Clara Barton Center for Domestic Preparedness	1.5
Navy O&M:	
Navy Call Center—Cutler, Maine	3
Operational Meteorology and Oceanography	7
Nulka Training	4.3
Range Upgrades	25
MTAPP	2
Information Technology Center—New Orleans, LA	5
Nansemond Ordnance Depot Site—Suffolk, VA	0.9
USMC O&M (none)	
USAF O&M (none)	
O&M Defense Wide:	
JCS Mobility Enhancements	50
Defense Acquisition University	2
DLA MOCAS Enhancements	1.2
Joint Spectrum Center Data Base Upgrade	25
Legacy Project, Nautical Historical Project—Lake Champlaign, NY	6.1
Information Security Scholarship Program	20
Command Information Superiority Architecture	2
Information Protection Research Institute	10
Impact Aid	20
MISCELLANEOUS	
Defense Health Program	98
Kaho'olawe Island Conveyance	25
Alkali Silica Reactivity Study	5
Sec. 373 Reimbursement by Civil Air Carriers for Johnston Atoll Support	
Sec. 1041 Inst. for Defense Computer Sec. & Info. Protection	10
Sec. 2831 Land Conveyance, Price Support Center, Granite City, IL	
Sec. 2832 Land Conveyance Hay Army Res. Center, Pittsburgh, PA	
Sec. 2833 Land Conveyance, Steele Army Res. Center, Pittsburgh, PA	
Sec. 2834 Land Conveyance Fort Lawton, WA	
Sec. 2835 Land Conveyance Vancouver Barracks, WA	
Sec. 2851 Land Conveyance MCAS Miramar, CA	
Sec. 2852 Land Conveyance, Defense Fuel Supply Point, Casco Bay, ME	
Sec. 2853 Land Conveyance Former NTC Bainbridge, Cecil County, MD	
Sec. 2854 Land Conveyance Naval Computer & Telecomm. Station, Cutler, ME	
Sec. 2871 Land Conveyance, Army & Air Force Exchange, Farmers Branch, TX	
AMENDMENTS	
Amdt. 3219 To modify authority to carry out a fiscal year 1990 military construction project at Portsmouth Naval Hospital, VA	8.5
Amdt. 3235 To authorize a land conveyance, Ft. Riley, KS	
Amdt. 3242 To modify authority for use of certain Navy property by the Oxnard Harbor District, Port Hueneme, CA	
Amdt. 3383 To provide with an offset, $5 million for R,D,T,& E Defense wide for strategic environment Research & Development Program for technologies for detection & transport of pollutants from live-fire activities	5
Amdt. 3385 To set aside for weatherproofing facilities at Keesler Air Force Base, MS, $2.8 million of amount authorized to be appropriated for USAF operation & maintenance	2.8
Amdt. 3389 To treat as veterans individuals who served in the Alaska Territorial Guard during W.W.II	
Amdt. 3400 To authorize a land conveyance, former National Ground Intelligence Center, Charlottesville, VA	
Amdt. 3401 To authorize a land conveyance, Army Reserve Center, Winona, MN	
Amdt. 3404 To authorize acceptance and use of gifts from Air Force Museum Foundation for the construction of a third building for the Museum at Wright-Patterson USAF Base, OH	
Amdt. 3407 To permit the lease of the Naval Computer Telecomm. Center, Cutler, ME, pending its conveyance	
Amdt. 3408 To modify the authorized conveyance of certain land at Ellsworth Air Force Base, SD	
Amdt. 3415 To provide for the development of a USMC Heritage Center at Marine Corps Base, Quantico, VA	
Amdt. 3423 To authorize SecNav to convey to the city of Jacksonville N.C., certain land for the purpose of permitting the development of a bike/green way trail	
Amdt. 3424 To authorize, with an offset, $1.45 million for a contribution by the Air National Guard, the construction of a new airport tower at Cheyenne Airport, WY	
Amdt. 3460 P–3/H–1/SH–60R Gun Modifications	30
Amdt. 3462 CIWS MODS	30
Amdt. 3465 Land Conveyance, Los Angeles AFB.	
Amdt. 3466 Procurement of AV–8B aircraft	92
Amdt. 3467 Information Technology Center, LA	5
Amdt. 3468 USMC Trucks, tilting brackets and mobile electronic warfare support system	10
Amdt. 3477 Joint Technology Information Center Initiative	20
Amdt. 3481 Tethered Aerostat Radar System Sites	33
Amdt. 3482 Special Warfare Boat Integrated Bridge Systems	7
Amdt. 3483 R,D,T & E for Explosive Demilitarization Technology	5
Amdt. 3488 Procurement of AGM–65 Maverick missiles	2.1
Amdt. 3489 Procurement of Rapid Intravenous Infusion Pumps	6
Amdt. 3490 Training Range Upgrades, Fort Knox, KY	4
Amdt. 3490 (cont.) Overhaul of MK–45 5 inch guns	12

DEFENSE AUTHORIZATION ACT (S. 2549) FOR FY2001 ADD-ONS, INCREASES AND EARMARKS—Continued

	Dollars (in millions)
Amdt. 3770 National Labs Partnership Improvements	10
Amdt. 3801 National Energy Technology Lab, Fossil Energy R&D	4
Amdt. 3802 Florida Restoration Grant	2
Amdt. 3812 Indian Health Care for Diabetes	7.372
Amdt. 3807 Salmon restoration and conservation in Maine	5
Amdt. 3795 Forest System Land Review Committee	1
Total = $1,981,522,000.00	

SCHOOL OF THE AMERICAS

Mr. FEINGOLD. Mr. President, I rise today to express my serious disappointment with the Fiscal Year 2001 Department of Defense Authorization bill, which passed the Senate earlier this week. I opposed a number of provisions in the bill, including language to restructure and rename the School of Americas. It is this issue which I would like to address today.

Mr. President, it is clear that the Department of Defense recognizes there are serious problems with the School of the Americas, otherwise they would not have gone to the trouble of proposing to repackage it. But make no mistake, that is all that has happened. While the name may not remain the same, the School of the Americas still exists.

Mr. President, I think a little history is in order here. The School of the Americas was founded in 1946, originally in the U.S.-controlled Panama Canal Zone. At that time, it was known as the Latin American Center-Ground Division. In 1963, the facility was renamed the School of the Americas, and in 1984, in compliance with the Panama Canal Treaty, the school was moved to Fort Benning, Georgia as part of the U.S. Army Training and Doctrine Command.

SOA was charged with the mission of developing and conducting instruction for the armed forces of Latin America. Unfortunately, what SOA has produced are some of the most notorious dictators and human rights abusers from Latin America including El Salvador death squad leader Roberto D'Abuisson, Panamanian dictator and drug dealer Manuel Noriega, Argentinian dictators Leopold Galtieri and Roberto Viola, and Peruvian dictator Juan Velasco Alvarado.

Mr. President, the list continues. SOA alumni include 48 of the 69 Salvadoran military members cited in the U.N. Truth Commission's report on El Salvador for involvement in human rights violations, including 19 of 27 military members implicated in the 1989 murder of six Jesuit priests.

SOA alumni reportedly also include more than 100 Colombian military officers alleged to be responsible for human rights violations, and several Peruvian military officers linked to the July 1992 killings of nine students and a professor from Peru's La Cantutu University.

SOA alumni include several Honduran officers linked to a clandestine military force known as Battalion 316 responsible for disappearances in the early 1980s.

And, SOA graduates have led military coups and are responsible for massacres of hundreds of people, including the Uraba massacre in Colombia, the El Mozote massacre of 900 civilians in El Salvador, the assassination of Archbishop Oscar Romero, the torture and murder of a UN worker, and hundreds of other human rights abuses.

Mr. President, it is not merely coincidence that SOA has such an egregious list of alumni. In September, 1996, the Department of Defense made available excerpts from seven Spanish-language training manuals used at SOA and it was revealed that those manuals included instruction in extortion, execution, and torture techniques that the Pentagon conceded were ''clearly objectionable and possibly illegal.''

Even today, the SOA legacy lives on. Just this past January, another SOA graduate, Guatemala Col. Byron Disrael Lima Estrada, was arrested for his involvement in the death of Guatemalan Bishop Juan Jose Gerardi in 1998. As CRS noted, Bishop Gerardi was murdered in April of 1998 just two days after he released a report accusing the Guatemalan military for most of the human rights abuses committed during the country's conflict.

Mr. President, as I mentioned earlier, while the Department of Defense will ostensibly close the School of the Americas, it is producing a clone in its place. The Department of Defense Authorization bill establishes the Western Hemisphere Institute for Professional Education and Training—an institution that appears in every way to be nothing more than a repackaged School of the Americas.

To my knowledge, nothing has been done to ensure that a thorough evaluation of SOA is conducted before this new entity is operational. As SOA Watch has noted, there appears to be no critical assessment of the training, procedures, performance or consequences of the SOA training program this new entity copies.

I regret the Pentagon has not taken more meaningful steps to address the horrifying legacy of SOA. I support closing SOA permanently, not merely changing its name.

I am pleased to be a cosponsor of legislation introduced by the senior Senator from Illinois (Mr. DURBIN) that would terminate this program.

But, Mr. President, even if there were any justification for continuing some portion of the School of the Americas, it should come only after a truly serious and independent review is made of the purpose, mission, curricula, administrative structure, and student selection of the new entity.

Given the bloody heritage of SOA, the very least we owe the people of Latin America and the innocent who have been killed is such a review. Unfortunately, that is not what will happen.

As a member of the Senate Committee on Foreign Relations, I am committed to promoting human rights throughout the world. While it may be appropriate for the United States military to train its colleagues from other nations, it is inexcusable that this training should take place at an institution with a reputation far beyond salvage. In my view, our government cannot continue to support the existence of a school or a simple repackaging of that school which has so many murderers among its alumni.

Mr. President, I will be watching this new institution very closely, and so, I have no doubt, will many of my constituents. My concerns about accountability and transparency have not been sufficiently addressed, and I will continue to raise this issue until I am satisfied that the U.S. Government has finally and firmly brought an end to the shameful legacy of the School of Americas.

CHINA AND NATIONAL MISSILE DEFENSE

Mr. BIDEN. Mr. President, 3 years ago I came to the Senate floor to talk about China and how the United States can best achieve its national interests in the Far East.

I spoke then on the eve on two summits which went a long way toward putting the U.S.-China relationship on a firmer foundation. I called for a patient, principled engagement strategy designed to win greater Chinese compliance with international norms in the areas of human rights, nonproliferation, and trade.

Three years later, there has been some progress, but also some setbacks.

U.S.-China relations remain dogged by uncertainties—each side harbors doubts about the other's intentions, doubts reinforced by allegations of Chinese espionage and the tragic mistaken U.S. bombing of the Chinese embassy in Belgrade. China's fear of how we might exploit our position as the world's only superpower is matched by our concerns over China's proliferation of weapons of mass destruction and its intimidation tactics against Taiwan. China's leaders decry U.S. ''hegemony'' and ''interference in their internal affairs.'' We worry about whether the Dragon will breathe fire at its neighbors, or just blow smoke.

So today I rise at what I believe may be a pivotal moment which will determine our Nation's future in Asia not just for this year, or next year, but for 10 years, 20 years, and into the world my grandchildren will inherit.

Three decisions—on national missile defense, on invoking sweeping new unilateral sanctions on China, and on extending permanent normal trade relations to China—will help shape U.S. strategic doctrine and irrevocably alter the security landscape in East Asia for decades to come. They are decisions which must be made in the context of revolutionary changes underway on the

Korean Peninsula and an awakening China which wants to play in major leagues, but is not sure it wants to abide by all the rules of the game.

Today I wish to address the first of these three major decisions—national missile defense—as it relates to China and recent developments on the Korean peninsula.

Mr. President, I rise with optimism—my mother calls me a ''congenital optimist.'' Not the optimism of a Phillies fan—a blind, fervent optimism born each spring, matured each summer, and dashed against the rocks by fall. No, I speak with the confidence which flows from the enormous capacity and good will of the American people. I am optimistic because we now enjoy an unprecedented opportunity to shape the future in ways which will enhance our national security and preserve our prosperity.

I reject the path of unrelieved pessimism and lack of common sense which, to me, underlies much of the thinking of those who believe China must be an enemy of the United States, and that North Korea can neither be deterred nor persuaded to abandon its pursuit of a nuclear missile capability.

I reject the pessimism which says that American idealism and the dynamism of American markets are somehow incapable of handling the opportunities which will be ours as China joins the World Trade Organization and opens its markets to the world.

But my optimism is informed by realism.

Let me put it bluntly: China does not believe that National Missile Defense is oriented against North Korea. According to those who justify a limited national missile defense on the basis of the North Korean threat, North Korea is ruled by a nutcase who by 2005 will be in position to launch an ICBM with weapons of mass destruction against the United States, and will do so without giving one thought to the consequences.

Who can blame China for questioning this rationale for a national missile defense? I question it myself.

The notion that North Korea's leader Kim Jong-il is going to wake up one morning and decide to attack the United States with long-range missiles armed with weapons of mass destruction is absurd!

The notion that 5 or 10 long-range missiles would deter us from defending South Korea is equally bogus. Did the Soviet Union's ability to devastate the United States prevent us from defending Europe for a generation and West Berlin in 1961, even in the face of superior Warsaw Pact strength on the ground? No.

Did it stop us from forcing the removal of missiles from Cuba in 1963, or from supplying Afghan mujaheddin in their successful struggle against Soviet forces? No.

Has China's ability to deliver a nuclear strike against a dozen or more U.S. cities prevented us from defending Taiwan? No, again.

Moreover, in the wake of the first North-South Summit meeting ever, the prospects for peaceful reconciliation between North and South Korea are better today than they have been in my lifetime. I'm not saying that peace on the Korean Peninsula is a ''done deal.'' Far from it. North Korea has not withdrawn its heavy artillery. North Korea has not abandoned its missile program. North Korea has not halted all of its support for international terrorist organizations. There is a tremendous amount of hard work to be done.

But look at the facts that relate to our decision on national missile defense.

The last time North Korea launched a missile, I remind my colleagues, was on August 31, 1998. On that day, a three stage Taepo-Dong missile flew over Japan. The third stage of the missile apparently failed to perform as the North Koreans had hoped, but the mere existence of the third stage surprised many of our experts and caused them to reassess the North's capabilities and to advance the date by which North Korea might develop an ICBM to 2005.

But since August 1998, North Korea has not launched a long-range missile. It recently extended indefinitely the test-launch moratorium it implemented 15 months ago. Negotiations are underway right now with the objective of curtailing North Korea's development and export of long-range missiles.

Now the pessimists say that North Korea will never agree to forego development, deployment, or export of long-range ballistic missiles.

But then, the pessimists also said that the North Koreans would never open their nuclear facilities to round-the-clock monitoring by the International Atomic Energy Agency, would never stop construction on its heavy water nuclear reactors, would never permit World Food Program monitoring of food deliveries throughout North Korea, would never hold a summit meeting with South Korea, would never undertake economic reforms, and so on. Guess what? They have been wrong on all counts.

And what does Kim Dae-jung, the President of South Korea, have to say about the temperament of Kim Jong-il? All evidence points to a North Korean leader who is intelligent, rational, and coldly calculating. Not the type of guy who gets up on the wrong side of bed in the morning and decides to ensure the complete annihilation of his country by launching a few nuclear missiles at the United States.

How does all this relate to China? The fact is, North Korea is in a world of hurt since the collapse of the Soviet Union. China is the North's major trading partner and aid donor, and it has successfully urged North Korea to engage with South Korea and curtail its missile testing.

Why? Is it because China wants to be helpful to us? Perhaps. But I doubt it.

No. China is acting in its own self interest. China knows that if North Korea presses ahead with its missile program, the United States is almost certain to deploy a national missile defense against that threat. And if we do, even a limited system will seriously undermine China's tiny nuclear deterrent.

China has only a handful of old, silo-based, liquid-fueled missiles capable of delivering a nuclear payload to the United States. Beijing calculates that any U.S. system sufficient to deal with 10–12 North Korean missiles could also handle 10–20 Chinese ICBMs. And guess what? Notwithstanding our repeated protests to the contrary, they are probably right.

So how can we expect China to respond if we foolishly rush ahead with deployment of this unproven, expensive, national missile defense, for which the rationale is evaporating as I speak?

Well, for starters, China will have no further incentive to use its influence with North Korea to rein in the North's nuclear missile ambitions. And North Korea, with no reason to trust the United States, may opt to end its missile launch moratorium and proceed full speed with the testing, deployment, and export of long-range ballistic missiles.

Second, if we rush to deploy limited NMD, China itself will surely take steps to ensure the survivability of its nuclear arsenal. They have made that painfully clear. We already know that they are planning to move from silo-based liquid-fueled rockets to mobile, solid-fueled rockets which will be much harder for us to locate and destroy. They are probably going to do that no matter what we do.

But they have not decided how many missiles to manufacture, or whether to MIRV them. Our actions will have a huge impact on their thinking. We already sent one unfortunate signal when the Senate rejected the Comprehensive Test-Ban Treaty. If we want to guarantee that China will go from fewer than two dozen ICBM's to 200 or 2,000, then by all means, let's just forge ahead with a national missile defense without any consideration for how that decision will affect China's nuclear posture and doctrine.

And if China responds as I fear they might, how will India respond? Pakistan? Japan? And if in 5 or 10 years Japan feels compelled to go nuclear, how will South Korea respond?

Mr. President, there is a reason why our allies in East Asia are urging caution with respect to the deployment of a national missile defense. They understand that bad U.S.-China relations are bad for regional stability. Listen to what a leading strategist in South Korea, Dr. Lho Kyong-soo of Seoul National University, recently wrote about missile defenses, China, and implications for the U.S.-South Korea alliance:

> Needless to say, minus a clear-cut image of North Korea as the 'enemy,' the security rationale underpinning the alliance is seriously weakened . . .

Much will depend on how the relationship between the United States and China evolves in the years ahead. If the relationship becomes antagonistic, Seoul will find itself in an extremely delicate position vis-a-vis Beijing, a situation that it would clearly like to avoid at all costs.

There appears to be little awareness in Washington, however, how its China policy, should it be mishandled, could have possibly adverse consequences in terms of alliance relations with Seoul, and, in all likelihood, with Tokyo as well. The cautious stance taken by Seoul with respect to the acquisition of even a lower-tier Theater Missile Defense capability is but one example of Seoul's desire not to unnecessarily create friction with Beijing.

So, Mr. President, this is a serious business.

I believe this body has not yet taken the time to consider the implications of deploying a limited national missile defense for our broader strategic interests in East Asia. I intend to raise these issues and others in the days ahead. If we are not to squander our material wealth and our world leadership, we must consider carefully whether a missile defense will maximize our overall national security.

CHILDREN'S PUBLIC HEALTH ACT

Mr. REED. Mr President, I rise to join my colleagues Senators FRIST, KENNEDY, JEFFORDS and others in support of our bill the ''Children's Public Health Act of 2000''. This critical legislation seeks to improve the lives of children in this nation by enhancing access to certain health care services and providing additional resources for pediatric health research. Children are our most precious resource, and we must do all we can to enable our children to reach their full potential both physically and intellectually. The Children's Public Health Act takes an important step toward achieving this goal by creating an environment where children are able to grow and develop unhindered by the burden of disease.

Overall, tremendous improvements have been made in the quality of children's health over the past century. For instance, deadly and debilitating diseases that were once prevalent during childhood have been largely eradicated thanks to advancements in vaccines.

Yet, even with these remarkable advancements, new problems have arisen. In particular, over the past decade, we have seen dramatic increases in the number of preventable childhood injuries, as well as a rise in diagnoses of asthma, autism, and diseases often attributed to obesity, such as diabetes, high cholesterol and hypertension in young children. This legislation sets forth creative approaches for dealing with these increasingly prevalent pediatric conditions.

Generally, the programs and initiatives authorized under the Children's Public Health Act can be broken down into four specific categories: (1) injury prevention; (2) maternal and infant health; (3) pediatric health promotion and; (4) pediatric research. I would like to take this opportunity to highlight a couple of the provisions included under the pediatric health promotion section of the bill dealing with lead poisoning prevention and childhood obesity.

First, the Children's Public Health Act contains a section based on legislation I introduced last year along with Senator TORRICELLI, entitled the Child Lead SAFE Act. This comprehensive bill seeks to address an entirely preventable problem that continues to plague far too many children in this nation—lead poisoning. While tremendous strides have been made over the last 20 years in reducing lead exposure among the population, it is estimated that nearly one million preschoolers nationwide still have excessive levels of lead in their blood—making lead poisoning the leading childhood environmental disease. Childhood lead poisoning has a profound health and educational impact on children.

Children with high blood lead levels can suffer from brain damage, behavior and learning problems, slowed growth, and hearing problems, among other maladies. Moreover, children with a history of lead poisoning frequently require special education to compensate for intellectual deficits and behavioral problems that are caused by their exposure to lead. Research shows that children with elevated blood-lead levels are seven times more likely to drop out of high school and six times more likely to have reading disabilities. By failing to eradicate lead poisoning, we are preventing our children from achieving their fullest potential and are also imposing significant health and special education costs on taxpayers.

Timely childhood lead screening and appropriate follow-up care for children most at-risk of lead exposure is critical to mitigating the long-term health and developmental effects of lead. Regrettably, our current system is not adequately protecting our children from this hazard. Despite longstanding federal requirements for lead screening for children enrolled in Medicaid and other federally funded health care program, a January 1999 GAO report found that two-thirds of these children have never been screened and, consequently, remain untreated, eventhough low-income children are at particular risk for lead exposure. As a result, there may be thousands of children with lead poisoning who continue to go undiagnosed.

The Children's Public Health Act will begin to address this problem by enhancing the existing lead grant program through the Centers for Disease Control and Prevention and authorizing new grant programs to conduct outreach and education for families at risk of lead poisoning, implement community-based interventions to mitigate lead hazards, establish uniform guidelines for reporting and tracking of blood lead screening from laboratories and local health departments and ensure continuous quality measurement and improvement plans for communities dedicated to lead poisoning prevention. The legislation also provides resources for health care provider education and training on current lead screening practices and would require the Health Resources and Services Administration to submit an annual report to Congress on the percentage of children in the health centers programs who are screened for lead poisoning.

A second element of this bill that I believe will have a major impact on improving and preserving the health of children in this nation is a provision related to childhood obesity. Over the past fifteen years, childhood obesity rates have doubled. It is estimated that almost five million, or 11% of youth 6–19 years of age are seriously overweight. Contributing to this trend has been the rise in fast food consumption, coupled with an increasingly sedentary lifestyle where time engaged in physical activity has been replaced by hours playing computer games and watching television. Another reason for the lack of physical activity in children is the reduction of in daily participation in high school physical education classes, which has declined from 42 percent in 1991 to 27 percent in 1997. Children simply do not have the time or opportunity to engage in healthy physical activities.

As a result, younger and younger Americans are showing the signs of obesity-related diseases, such as heart disease and diabetes. Research shows that 60 percent of overweight 5–10 year old children already have at least one risk factor for heart disease, such as hypertension. If our society continues on this trend, obesity will soon rival smoking as a leading cause of preventable death. Clearly, action needs to be taken to curb this potentially deadly epidemic.

The Children's Public Health Act acknowledges and attempts to reverse this trend through a multi-pronged approach. First, the bill would provide states and local communities with the resources they need to develop and implement creative approaches to promoting good nutrition habits and enhancing the levels of physical activity among children. The bill authorizes a new competitive grant program through the Centers for Disease Control and Prevention, whereby states would develop comprehensive, interagency, school- and community-based approaches to better physical and nutritional health in children and adolescents. These programs would be evaluated and information about effective intervention models and obesity prevention strategies would be broadly disseminated.

The legislation also calls for greater applied research in order to improve our understanding of the many factors that contribute to obesity. Research will also focus on the study of the prevalence and costs of childhood obesity and its effects into adulthood. Another

aspect of the bill is the development of a nationwide public education campaign informing families of the health risks associated with chronic obesity that provides information on incorporating good eating and regular physical activity into daily living. Lastly, the bill provides resources for health care provider education and training on evaluation and treatment practices for obese children or children at risk of becoming obese.

Overall, this bill has many substantial provisions that will go a long way in improving the health and well-being of our children. This legislation not only expands the base of pediatric medical research currently ongoing, it also includes important enhancements in maternal and prenatal health as well as several other initiatives that will greatly enhance access to services to children with chronic and debilitating diseases.

I am pleased to join my colleagues today on introducing this important legislation, and I look forward to working to pass the bill through the Health, Education, Labor and Pensions Committee and the full Senate this year.

Thank you, Mr. President.

PAYCHECK FAIRNESS ACT

Mr. BAUCUS. Mr. President, I rise today in support of S. 74, The Paycheck Fairness Act. Over 30 years ago, President John Kennedy signed the Equal Pay Act into law. At that time women were making only 61 cents for every dollar that was earned by a man. Since that time, we have made significant strides to ensure equality in the workplace, however, the disparity in wages between men and women still exists.

Today, as a nation, women earn 74 cents for every dollar that a man earns. In Montana, the difference is even more significant, women are earning only 69 cents for every dollar that is earned by a man. This translates into more than $5,000 a year. This is unacceptable. We must have pay equity.

In our state, and the country as a whole, women work a variety of jobs, from minimum wage jobs, to women who run their own businesses. The work that women do is not adequately reflected in the wages that they earn.

In Montana we are faced with a unique situation—we are ranked almost last in per capita income. The economic boom that has created tremendous wealth on Wall Street hasn't echoed on Main Street, Montana. It is necessary to invest our resources to maintain our quality of life while creating good jobs and boosting our working families standard of living. If women were paid equitably, Montana families would greatly benefit. Family incomes would rise and, poverty rates would fall.

Mr. President, pay equity is not the entire solution to the economic development challenge. It is part of a package, we must also invest in and protect our small businesses. After all, small business is the backbone of our economy. In order to improve jobs and wages in Montana and in the nation, we must maintain our educational systems. When we make additional investments in education and job training, we can attract new businesses to our state, increase our wages, and prepare our children for the jobs of tomorrow.

If we are willing to do these things, economic growth will improve the quality of life for all men and women of Montana.

CONSERVATION

Mr. REED. Mr. President, on September 3, 1964, President Lyndon Johnson signed the Land and Water Conservation Fund Act. The Land and Water Conservation Fund, or LWCF, was created by Congress to use revenues from Outer Continental Shelf oil and gas development—a non-renewable resource—to invest in America's renewable resources by creating parks and open spaces, protecting wilderness, wetlands and refuges, preserving habitat, and enhancing recreational opportunities.

The LWCF has been a remarkable conservation success story. In its 35-year history, LWCF has supported the acquisition of nearly 7 million acres of parkland and the development of more than 37,000 park and recreation projects. In my state of Rhode Island alone, LWCF has invested over $32 million in nearly 400 state and local parks projects, including $1.7 million for development of Roger Williams Park in Providence, $1.1 million for Scarborough State Beach in Narragansett, and $536,000 for rehabilitation of the famous Cliff Walk in Newport. Because State and local governments provide at least half of initial project costs and assume all operation and maintenance costs in perpetuity, each Federal dollar leverages several dollars in non-Federal contributions.

But despite the LWCF's success, funding for the program has fallen well below its authorized level of $900 million per year, and the stateside grant program was completely zeroed out in 1995, even as offshore oil and gas revenues increased and the need for parks and open space continued to rise dramatically.

Last year, President Clinton proposed an historic Lands Legacy budget initiative to fully fund the LWCF at its authorized level. Although appropriators did not fully fund the Lands Legacy budget request, Members of Congress are clearly getting the message Americans are sending to Washington about the need for major conservation legislation to promote open space and recreation.

On May 11, the House of Representatives passed H.R. 701, the Conservation and Reinvestment Act of 2000, by a vote of 315–102. The ''CARA'' bill, which would automatically set aside revenues from offshore oil and gas leases to fully fund the Federal and State LWCF grant programs for the first time in decades, was the product of an extraordinary bipartisan compromise between the House Resources Committee chairman, DON YOUNG, and the ranking member, GEORGE MILLER. The CARA bill would provide nearly $3 billion annually until 2015 to support conservation efforts across the country.

All eyes are now on the Senate, Mr. President. Across the country, Americans in cities, suburbs, and rural areas have joined State Governors, city and town planners, wildlife program managers, hunters and fishermen, and environmental organizations to call on the Senate to act on this historic legislation.

Several bills have been introduced in the Senate:

S. 2123, introduced by Senators LANDRIEU and MURKOWSKI, is identical to H.R. 701 as reported by the House Resources Committee;

S. 2567, introduced by Senator BOXER, is identical to H.R. 701 as passed by the full House;

S. 2181, introduced by Senator BINGAMAN, would support many of the same programs as the House bill but would distribute a greater percentage of LWCF stateside funds evenly among the states, benefitting states with small populations, such as Rhode Island. In addition, it would support a number of marine research and conservation programs;

And there are several more bills, all of which seek to fully fund the LWCF and preserve our natural heritage for future generations.

Mr. President, none of these bills is perfect; there is always room for improvement. Members of the Senate may disagree, for example, on how much funding should go to coastal assistance, or federal land acquisition in western states, or endangered species protection. I, for one, believe it is critically important that we provide $125 million or more each year for the Urban Parks and Recreation Recovery, UPARR, program, as well as full annual funding of $150 million for the Historic Preservation Fund. We should also avoid creating incentives for new offshore oil and gas drilling.

Whatever our differences over the details of this legislation, Mr. President, the important thing is that we pass a bill this year. Any one of these conservation bills would represent an unprecedented and desperately needed investment in our natural resources and our cultural and historic heritage.

But we have to act soon. There are, at best, 33 legislative days left in the 106th Congress. Many members of this body, myself included, are disappointed that the Senate Energy and Natural Resources Committee has postponed several markups of the CARA bill. But we understand that Chairman MURKOWSKI and ranking member BINGAMAN are working to satisfy a wide array of regional interests on the Committee, and we continue to hope that an agreement can be reached in time for the Committee to approve the bill next week. We would urge the Majority

leadership to move the bill expeditiously to the floor following the Committee's action.

I look forward to working with my colleagues to send to the President a bill that will respond to our constituents' overwhelming calls for Congress to make a substantial and reliable investment in the conservation of our Nation's wildlife, coastal resources, and open spaces. The momentum is with us, and we should not miss this rare opportunity to create a conservation legacy for generations to come.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, July 13, 2000, the Federal debt stood at $5,666,740,403,750.26 (Five trillion, six hundred sixty-six billion, seven hundred forty million, four hundred three thousand, seven hundred fifty dollars and twenty-six cents).

One year ago, July 13, 1999, the Federal debt stood at $5,625,005,000,000 (Five trillion, six hundred twenty-five billion, five million).

Five years ago, July 13, 1995, the Federal debt stood at $4,933,342,000,000 (Four trillion, nine hundred thirty-three billion, three hundred forty-two million).

Ten years ago, July 13, 1990, the Federal debt stood at $3,152,611,000,000 (Three trillion, one hundred fifty-two billion, six hundred eleven million) which reflects almost a doubling of the debt—an increase of over $2.5 trillion—$2,514,129,403,750.26 (Two trillion, five hundred fourteen billion, one hundred twenty-nine million, four hundred three thousand, seven hundred fifty dollars and twenty-six cents) during the past 10 years.

ADDITIONAL STATEMENTS

HONORING JANET R. STEWART

● Mr. GORTON. Mr. President, today I pay tribute to an outstanding representative of Washington State, Jan Stewart. Ms. Stewart will soon complete her year as national president of the American Assocaition of Nurse Anesthetists (AANA). I am very pleased that one of Washington State's own was tapped as the 1999–2000 president of this prestigious national organization.

The AANA is the professional association that represents over 27,000 practicing Certified Registered Nurse Anesthetists (CRNAs). Founded in 1931, the American Association of Nurse Anesthetists is the professional association representing CRNAs nationwide. As you may know, CRNAs administer more than 65 percent of the anesthetics given to patients each year in the United States. CRNAs provide anesthesia for all types of surgical cases and are the sole anesthesia provider in over 65 percent of rural hospitals, affording these medical facilities obstetrical, surgical and trauma stabilization capabilities. They work in every setting in which anesthesia is delivered, including hospital surgical suites and obstetrical delivery rooms, ambulatory surgical centers, and the offices of dentists, podiatrists, and plastic surgeons.

Jan has been a nurse anesthetist since 1982. She received her extensive anesthesia training at the Mayo School in Rochester, Minnesota. She is currently self-employed with an independent practice that encompassed several States and is based in Seattle. Jan has held various leadership positions within the field of nursing generally since 1985, and within the field of nurse anesthesia served on the Finance Committee, the Strategic Planning Committee and as a member of the AANA Board of Directors representing Region 5. She was elected Vice President of AANA in 1997 and is furnishing her service as the organization's President.

In addition to her service to the AANA, I would like to thank Jan for her input as a member of my local advisory committee. I have always appreciated her advice and interest in the health issues before the Senate.

Mr. President, I ask my colleagues to join me today in recognizing Ms. Jan Stewart for her notable career and outstanding achievements.●

WILLIAM J. BECKHAM, JR. MEMORIAL TRIBUTE

● Mr. LEVIN. Mr. President, I want to pay tribute to the life of one of Michigan's great civic leaders, William J. Beckham, Jr. After living a remarkably accomplished life, sadly, Bill passed away April 27th while on vacation with his beloved wife, Mattie Maynard Beckham. This week, Bill's friends and colleagues and members of the Senate and the House will come together in our Nation's capital to celebrate his memory and his legacy.

Bill loved life and all the important things in it—his family, his friends, school kids, and his African American heritage. Bill loved the difference that he was making in Michigan through his work on school reform—enhancing and expanding the quality of education for all students in the Detroit public school system. Behind Bill's dignified, gentle yet deliberate manner was a fierce determination to help improve the everyday lives of families. Multitudes were beneficiaries of his visionary efforts. He showed that character and the principles of hard work, integrity and perseverance can transform one's dreams into reality. He has left a mark of great achievement in civil rights, education, economic and political reform.

Bill had a distinguished career of public service in Michigan, which included positions as Vice Chair of the School Board for the Detroit Public Schools, Chairman of the Schools of the 21st Century Corporation, President and Trustee of The Skillman Foundation, the first Deputy Mayor of Detroit, and President of New Detroit, Inc. His successful career in the private sector included key leadership positions at Burroughs/Unisys Corporation, Envirotest Systems Corporation in Phoenix and the Ford Motor Company.

Bill also enjoyed a long and noteworthy career in federal service from 1967 through the early 1980s. Over a period of eight years, he served Senator Phil Hart in several capacities including Policy Adviser in his Washington office for 4 years, Chief of Staff of the Senator's office in Detroit for three years, and Campaign Assistant for one year. Bill subsequently served as Staff Director to the House Education and Labor Subcommittee on Equal Opportunity, chaired by Representative Gus Hawkins. Sought out by President Jimmy Carter, Bill was nominated and confirmed first as Assistant Secretary of the U.S. Department of the Treasury and later as Deputy Secretary of the U.S. Department of Transportation.

During his tenure on Capitol Hill, Bill joined with several of his staff colleagues to establish the first minority congressional staff group to study and act on the political and legislative demands of minority communities nationwide. The group's pioneering efforts in Quitman and Cohoma Counties in Mississippi, along with civil rights leader John Lewis and, my brother, Sander Levin (both of whom now serve in the House) helped to mark a new and powerful political and participatory direction for the people of the Mississippi Delta. Wise and loyal colleagues—Gordon Alexander, Jackie Parker, Judy Jackson, Willa Rawls Dumas, Alan Boyd, Dora Jean Malachi, Mattie Barrow and Bob Parker—declared Bill their leader. The group moved ahead and soon designed the legendary mission to the Mississippi Delta; and, under the direction of Julian Bond of the then-Southern Elections Fund, pursued other worthy political initiatives.

Mr. President, I would like to include in the RECORD the names of the members of the William J. Beckham, Jr. Memorial Committee, all of whom were former staff colleagues of Bill's during his tenure of Federal service, including my current Deputy Legislative Director, Jackie Parker. These devoted friends and former colleagues organized this week's great tribute to Bill and will be attesting, along with others, to the truly incredible life that Bill led and the impact he had on their lives. I ask their names be printed in the RECORD.

The material follows:

WILLIAM J. BECKHAM, JR., MEMORIAL COMMITTEE

Gordon Alexander, Legislative Assistant, former Senator Birch Bayh, *President, 40+ Parenting, Inc.

Robert Bates, former Special Assistant, Senator EDWARD KENNEDY.

Alan Boyd, Senior Aide, former Senator Clifford Case, *Charitable Games Control Board.

George Dalley, former Chief of Staff, Rep. CHARLES RANGEL.

Winifred Donaldson, Chief of Staff, former Rep. Andy Jacobs.

Willa Rawls Dumas, Senior Aide, former Rep. Silvio Conti, *Vice President for Administration, Directions Data, Inc.

Ernestine Hunter, Senior Aide, former Senator John Glenn.

Judy Jackson, Senior Aide, former Rep. Bob Eckhardt and Ex Assistant, Senate Finance Committee, *Executive Assistant, TRESP Associates.

Carolyn Jordan, Legislative Assistant, former Senator Alan Cranston and Counsel, Senate Banking Committee, *Executive Director, National Credit Union Administration.

Dora Jean Malachi, Senior Aide to former Senator John Sherman Cooper, Senator Marlow Cook and Congressional Budget Office.

Mary Maynard, Clerk, House Subcommittee on Equal Opportunity, *AFL–CIO Legislative Division.

Jackie B. Parker, Legislative Assistant, former Rep. James A. Burke, *Deputy Legislative Director, Senator Carl Levin.

Annette C. Wilson, *U.S. Department of Transportation.

*Currently

Mr. LEVIN. Mr. President, Bill leaves his beloved mother, Gertrude; his wife Mattie, their two children, Monica and Jeffrey; Bill's three older sons, William, III, Jonathan, and Reverend Eric Beckham; his two sisters Connie Evans and Elaine Beckham of Florida; his brother Charles of Detroit; seven grandchildren, and innumerable friends. Together we will celebrate his life and cherish his memory.

In closing, I would like to share with my colleagues an article which appeared in the Detroit Free Press the day after Bill's funeral. The article includes the very moving sentiments expressed by Monica Beckham about her father as well as expressions of others who were touched by Bill's generous spirit. I ask that the article be printed in the RECORD.

The article follows:

[From the Detroit Free Press, May 4, 2000]

MOURNERS PRAISE BECKHAM'S VISION—2,000 AT FUNERAL FOR REVERED DETROIT CIVIC LEADER

(By Ben Schmitt)

William Beckham Jr. had a strategy to get home at a reasonable hour, as he juggled highranking jobs and late speaking engagements. He'd arrived early to evening meetings, empower the audience, gradually make his way toward the back door and vanish.

''How prophetic,'' said Willie Scott, a board member of Schools of the 21st Century, the Detroit school district's grant-funded educational partner. ''It is exactly how he lived and left us. He worked us as the audience and slipped out the back door.''

Beckham's funeral, a 2½-hour affair Wednesday at Greater Grace Temple in Detroit that drew more than 2,000 people, was full of memories, praise and grieving for the Detroit school reformer, president of the Skillman Foundation, Detroit's first deputy mayor and past president of New Detroit Inc. But it was an unscheduled speech by Beckham's 21-year-old daughter, Monica Beckham, that brought the tissues out in full force.

''One of the main things I will always remember about you was your ability to see the innate goodness in everybody,'' she said, while crying, ''It was so beautiful about you. You were the epitome of a father, a husband and a man,''

Beckham, who also worked for the Carter administration as an assistant secretary in the U.S. Department of Treasury and deputy secretary of the U.S. Department of Transportation, died April 27 of a pulmonary embolism in Bloomington, Ill., during a drive back from a family vacation. He was 59.

Although his funeral attracted a mix of family, friends and high-ranking city and state officials, no special measures were taken for accommodations. Beckham would have wanted it that way, his brother said.

''Bill, as you know, thought everyone was a dignitary,'' said his younger brother, Charles Beckham. ''So if anyone's feelings were hurt, we certainly didn't intend that. It was in the vein of Bill saying that everybody's a dignitary; everybody's important.''

Detroit Mayor Dennis Archer, Detroit Public Schools interim CEO David Adamany, retired MBD Bank President Tom Jeffs, retired General Motors Corp. Vice President William Brooks and DaimlerChrysler Vice President W. Frank Fountain were among those in attendance.

Fountain wondered aloud, as he addressed the crowd, how the city will move forward without Beckham.

''It's an unfair question because no answer seems like the right answer,'' he said, ''We move forward the same way that Bill did during his lifetime: with hard work, humility and humor.''

Maureen Taylor, chair of Michigan Welfare Rights Organization, said she never knew what the J in William J. Beckham stood for.

''It probably stands for 'Just in time,' '' she said to applause. ''He came in here with his sleeves rolled up. He came just in time to work with a multitude of jigsaw puzzle activities: children, grandchildren and schools boards.

''So we, too, are jolted by this premature departure. I guess it was premature to me and premature to you and for him it was just in time.''

Adamany said it's too early to say whether school reform will succeed.

''In Detroit, that success will be much more difficult because of Bill Beckham's untimely passing. But we can say with certainty that Bill's vision about the need for school reform was true. His vision began not with the school system, not with the people of power, but rather with the students.''

Charles Beckham, standing several steps above the flower-surrounded casket, described the church scene in a conversation with his older brother.

''This room is filled with everybody, all hues, colors and racial ethnicities,'' he said. ''There's a large crowd, and I know that wouldn't make you comfortable. But I swear I don't have anything to do with that. It's your fault because these people have been touched by you and love you.''●

TRIBUTE TO JUDGE HATFIELD

● Mr. BAUCUS. Mr. President, I rise today to pay tribute to Judge Paul Hatfield. Last week, Montana lost not only a great man, but a dedicated and passionate public servant who spent most of his life committed to working for the people of our state and our nation.

A native Montanan, Paul Hatfield was born and raised in Great Falls, where he graduated from the local high school in 1947 and pursued pre-law studies at the College of Great Falls. His education was interrupted by two years of service in the U.S. Army, including overseas duty with the Signal Corps during the Korean conflict.

In 1953, Paul returned home and entered the University of Montana Law school, After several years in private practice, he was appointed Chief Deputy Attorney for Cascade County, serving until his election as 8th Judicial District judge in 1960. He held this post with honor and distinction for the next sixteen years. Heeding the call for public service, he was elected Chief Justice of the Montana Supreme Court, moving to Helena to assume his new duties in January 1977.

When Senator Lee Metcalf passed away on January 12, 1978, Judge Hatfield was the Governor's choice to complete the remaining year of that term. During his tenure in the Senate, Hatfield served on the Armed Services and Judiciary Committees. In 1978, Judge Hatfield and I both ran for the Democratic nomination for the opportunity to represent Montana in the United States Senate. Paul campaigned as a man of integrity. He was always gracious and principled. Following the election, we remained friends and I have nothing but the utmost respect and admiration for him.

While already having a distinguished career, Judge Hatfield was not yet done with public service. In 1979, he was appointed to serve on the Federal District bench by President Carter. Although Hatfield took senior status in 1995, he continued to serve actively in the courtroom until the time of his death.

Mr. President, as I have said, Paul Hatfield was an incredibly gracious man. His dedication was apparent through his long career as a public servant and his commitment to his faith. He was full of charisma as everyone who came into contact with him would attest to. Paul Hatfield was a treasure to our state and to this nation and he will be greatly missed.●

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 14, 2000, he had presented to the President of the United States the following enrolled bills:

S. 986. An act to direct the Secretary of the Interior to convey the Griffith Project to the Southern Nevada Water Authority.

S. 1892. An act to authorize the acquisition of the Valles Caldera, to provide for an effective land and wildlife management program for this resource within the Department of Agriculture, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–9745. A communication from the Executive Director of the Committee for Purchase From People Who Are Blind or Severely Disabled, transmitting, pursuant to law, the report of additions to the procurement list received on July 11, 2000; to the Committee on Governmental Affairs.

EC–9746. A communication from the Director of the Office of Personnel Management (Workforce Compensation and Performance Service), transmitting, pursuant to law, the report of a rule entitled ''Cost-of-Living Allowances (Nonforeign Areas); Guam and the Commonwealth of the Northern Mariana Islands'' (RIN3206–AJ15) received on July 11, 2000; to the Committee on Governmental Affairs.

EC–9747. A communication from the Director of the Office of Personnel Management (Workforce Compensation and Performance Service), transmitting, pursuant to law, the report of a rule entitled ''Cost-of-Living Allowances (Nonforeign Areas); Honolulu, HI'' (RIN3206–AI38) received on July 11, 2000; to the Committee on Governmental Affairs.

EC–9748. A communication from the Executive Director of the Japan-US Friendship Commission, transmitting, pursuant to law, the report relative to the Federal Activities Reform Act of 1998; to the Committee on Governmental Affairs.

EC–9749. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the report relative to the Federal Managers' Financial Integrity Act for fiscal year 1999; to the Committee on Governmental Affairs.

EC–9750. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled ''Prevailing Rate Systems; Abolishment of the Franklin, PA, Nonappropriated Fund Wage Area'' (RIN3206–AJ00) received on July 12, 2000; to the Committee on Governmental Affairs.

EC–9751. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled ''Prevailing Rate Systems; Abolishment of the Lebanon, PA, Nonappropriated Fund Wage Area'' (RIN3206–AJ01) received on July 12, 2000; to the Committee on Governmental Affairs.

EC–9752. A communication from the Director of the Federal Emergency Management Agency, transmitting, pursuant to law, the Report of the Inspector General, and the report on audit resolution and management both for the period of October 1, 1999 through March 31, 2000; to the Committee on Governmental Affairs.

EC–9753. A communication from the Director of the Office of Personnel Management (Workforce Compensations and Performance Service), transmitting, pursuant to law, the report of a rule entitled ''Final Regulations on Sick Leave for Family Care Purposes'' (RIN3206–AJ76) received on June 21, 2000; to the Committee on Governmental Affairs.

EC–9754. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of the Inspector General for the period of October 1, 1999 through March 31, 2000; to the Committee on Governmental Affairs.

EC–9755. A communication from the Office of Special Counsel, transmitting, pursuant to law, the annual report for fiscal year 1999; to the Committee on Governmental Affairs.

EC–9756. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the reports of the Inspector General prepared by the Treasury's Office of Inspector General and by the Treasury Inspector General for Tax Administration for the period October 1, 1999 through March 31, 2000; to the Committee on Governmental Affairs.

EC–9757. A communication from the Secretary of Education, transmitting, pursuant to law, the report of the Inspector General for the period October 1, 1999 through March 31, 2000; to the Committee on Governmental Affairs.

EC–9758. A communication from the Secretary of Energy, transmitting, pursuant to law, the report of the Inspector General for the period October 1, 1999 through March 31, 2000; to the Committee on Governmental Affairs.

EC–9759. A communication from the Executive Director of the Committee for Purchase from People Who Are Blind or Disabled, transmitting, pursuant to law, the report of additions to the procurement list received on June 24, 2000; to the Committee on Governmental Affairs.

EC–9760. A communication from the Deputy Archivist, Policy and Planning Staff, National Archives and Records Administration, transmitting, pursuant to law, the report of a rule entitled ''John F. Kennedy Assassination Records Collection Rules'' (RIN3095–AB00) received on June 27, 2000; to the Committee on Governmental Affairs.

EC–9761. A communication from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting, pursuant to law, the report of a rule entitled ''General Services Administration Acquisition Regulation; Part 525 Rewrite, Payment Information, and Clarification of Provisions and Clauses Applicable to Contract Actions Under the Javits-Wagner-O'Day Act'' (RIN3090–AH22) received June 28, 2000; to the Committee on Governmental Affairs.

EC–9762. A communication from the Director of the Office of Personnel Management (Office of the General Counsel), transmitting, pursuant to law, the report of a rule entitled ''Procedures for Settling Claims'' (RIN3206–AJ13) received on June 29, 2000; to the Committee on Governmental Affairs.

EC–9763. A communication from the Executive Director of the Committee for Purchase from People Who Are Blind or Disabled, transmitting, pursuant to law, the report of additions to the procurement list received on June 29, 2000; to the Committee on Governmental Affairs.

EC–9764. A communication from the Public Printer, Government Printing Office, transmitting, pursuant to law, the report of the Inspector General for the period October 1, 1999 through March 31, 2000; to the Committee on Governmental Affairs.

EC–9765. A communication from the Chief Financial Officer and Plan Administrator, First South production Credit Association, transmitting, pursuant to law, the report for the pension plan for calendar year 1999; to the Committee on Governmental Affairs.

EC–9766. A communication from the Deputy Director of the Support Personal and Family Readiness Division, Department of the Navy, transmitting, pursuant to law, the report relative to the retirement plan for civilian employees of the United States Marine Corps personal; to the Committee on Governmental Affairs.

EC–9767. A communication from the Inspector General, General Services Administration, transmitting, pursuant to law, the audit report register of the Office of the Inspector General for the period October 1, 1999 through March 31, 2000; to the Committee on Governmental Affairs.

EC–9768. A communication from the Assistant Secretary of the Interior (Policy, Management and Budget and Chief Financial Officer), transmitting, pursuant to law, the report on accountability for fiscal year 1999; to the Committee on Governmental Affairs.

EC–9769. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report of the Inspector General for the period October 1, 1999 through March 31, 2000; to the Committee on Governmental Affairs.

EC–9770. A communication from the Chief Operating Officer/President of the Resolution Funding Corporation, transmitting, pursuant to law, the report of the financial statements and other reports for calendar years 1998 and 1999; to the Committee on Governmental Affairs.

EC–9771. A communication from the General Counsel, Cost Accounting Standards Board, Office of Management and Budget, transmitting, pursuant to law, the report of a rule entitled ''Cost Accounting Standards; Applicability, Thresholds and Waiver of Cost Accounting Standards Coverage; Final Rule'' received on June 30, 2000; to the Committee on Governmental Affairs.

EC–9772. A communication from the General Counsel, Cost Accounting Standards Board, Office of Management and Budget, transmitting, pursuant to law, the report of a rule entitled ''Cost Accounting Standards Board; Changes in Cost Accounting Practices; Final Rule'' received on June 30, 2000 ; to the Committee on Governmental Affairs.

EC–9773. A communication from the Secretary of Commerce, transmitting, pursuant to law, the report of the Inspector General for the period October 1, 1999 through March 31, 2000; to the Committee on Governmental Affairs.

EC–9774. A communication from the Office of the Chairman of the Postal Rate Commission, transmitting, pursuant to law, the report relative to international mail volumes, costs, and revenues, for fiscal year 1999; to the Committee on Governmental Affairs.

EC–9775. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans; Massachusetts; VOC Regulation for Large Commercial Bakeries'' (FRL6709–5) received on June 21, 2000; to the Committee on Environment and Public Works.

EC–9776. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of one item entitled ''Guidance for Refining Anticipated Residue Estimates for Use in Acute Dietary Probabilistic Risk Assessment'' received on June 21, 2000; to the Committee on Environment and Public Works.

EC–9777. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of three rules entitled ''Approval and Promulgation of Implementation Plans: Oregon'' (FRL6714–7), ''Approval and Promulgation of Implementation Plan: Indiana'' (FRL6702–2), and ''OMB Approvals Under the Paperwork Reduction Act; Technical Amendments'' (FRL6067–7) received on June 21, 2000; to the Committee on Environment and Public Works.

EC–9778. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, the report of two items entitled ''Emergency Planning and Community Right-To-Know Act Session 313 Reporting Guidance for the Printing, Publishing, and Packaging Industry'' and ''Emergency Planning and Community Right-To-Know Act Session 313 Reporting Guidance for the Textile Processing Industry'' received on June 23, 2000; to the Committee on Environment and Public Works.

EC–9779. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of two rules entitled ''Approval and Promulgation of Air Quality Implementation Plans; Georgia Update to Materials Incorporated by Reference'' (FRL6720–4) and ''Phosphoric Acid; Community Right-To-Know Toxic Chemical Release Reporting'' (FRL6591–5) received on June 23, 2000; to the

Committee on Environment and Public Works.

EC–9780. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of eight rules entitled ''Approval and Promulgation of Air Quality Implementation Plans; Revised Format for Materials being Incorporated by Reference; Approval of Recodification of the Virginia Administrative Code; Correction'' (FRL6726–4), ''Change of Official EPA Mailing Address; Technical Correction; Final Rule'' (FRL6487–4) , ''National Oil and Hazardous Substances Pollution Contingency Plan; National Priorities List'' (FRL6727–2), ''National Primary and Secondary Drinking Water Regulations: Analytical Methods for Chemical and Microbiological Contaminants and Revisions to Laboratory Certification Requirements; Technical Correction: (FRL6726–2), ''National Primary Drinking Water Regulations: Public Notification Rule'' (FRL6726–1), ''OMB Approval Numbers for the Primacy Rule Under the Paperwork Reduction Act and Clarification of OMB Approval for the Consumer Confidence Report Rule'' (FRL6726–3), ''Preliminary Assessment Information Reporting; Addition of Certain Chemicals'' (FRL6589–1), and ''Protection of Stratospheric Ozone: Allocation of Essential Use Allowances for Calendar Year 2000: Allocations for Metered-Dose Inhalers and the Space Shuttle and Titan Rockets'' (FRL6726–5) received on June 28, 2000; to the Committee on Environment and Public Works.

EC–9781. A communication from the Administrator of the General Services Administration, transmitting, the report of lease prospectuses relative to the Capital Investment Leasing Program for fiscal year 2001; to the Committee on Environment and Public Works.

EC–9782. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, a notice entitled ''A Guide for Ship Scrappers: Tips for Regulatory Compliance''; to the Committee on Environment and Public Works.

EC–9783. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, the report of three items entitled ''Final Understanding and Accounting for Method Variability in Whole Effluent Toxicity (WET) Applications Under the National Pollutant Discharge Elimination System Program'', ''Protocol for Developing Nutrient TMDLs'', and ''Protocol for Developing Sediment TDMLs: First Edition'' received on July 5, 2000; to the Committee on Environment and Public Works.

EC–9784. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of four rules entitled ''National Estuary Program fiscal year 2000 Budget and Funding—Requirements for Grants'', ''Texas: Final Authorization of State Hazardous Waste Management Program Revisions'' (FRL6730-8), ''Delaware: Final Authorization of State Hazardous Waste Management Program Revision'' (FRL6732–8), and ''Finding of Failure to Submit a Required State Implementation Plan for Carbon Monoxide; Anchorage, Alaska'' received on July 5, 2000; to the Committee on Environment and Public Works.

EC–9785. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans; New Hampshire, Rhode Island, and Vermont; Aerospace Negative Declarations'' (FRL6727–9) received on July 7, 2000; to the Committee on Environment and Public Works.

EC–9786. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Rescinding Findings That the One hour Ozone Standard No Longer Applies in Certain Areas'' (FRL6733–3) , and ''Approval and Promulgation of State Plans for Designated Facilities and Pollutants; Control of Emissions from Hospital/Medical/Infectious Waste Incinerators (HMIWI) of State of Kansas'' (FRL6733–9) received on July 7, 2000; to the Committee on Environment and Public Works.

EC–9787. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, a notice entitled ''Approval and Promulgation of Air Quality Implementation Plans; Pennsylvania; Withdrawal of Direct Final Rule'' (FRL6719–7) July 7, 2000; to the Committee on Environment and Public Works.

EC–9788. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, a notice entitled ''Emergency Planning and Community Right-To-Know Act Section 313 Reporting Guidance for Rubber and Plastics Manufacturing'' received on July 7, 2000; to the Committee on Environment and Public Works.

EC–9789. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, a notice entitled ''Expediting Requests for Prospective Purchaser Agreements'' received on July 11, 2000; to the Committee on Environment and Public Works.

EC–9790. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Additional Flexibility Amendments to Vehicle Inspection Maintenance Program requirements; Amendments to Final Rule'' (FRL6735–1) received on July 11, 2000; to the Committee on Environment and Public Works.

EC–9791. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, purusant to law, the report of a rule entitled ''Revisions to the Water Quality Planning and Management Regulation and Revisions to the National Pollutant Discharge Elimination System Program in Support of Revisions to the Water Quality Planning and Management Regulation'' (FRL6733–2) received on July 11, 2000; to the Committee on Environment and Public Works.

EC–9792. A communication from the General Counsel, Office of Management and Budget, transmitting, pursuant to law, a report relative to two vacancies in the Office of Management and Budget; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THOMPSON, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute and an amendment to the title:

S. 2420: A bill to amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance is made available to Federal employees, members of the uniformed services, and civilian and military retirees, and for other purposes (Rept. No. 106–344).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. JEFFORDS:

S. 2870. A bill to allow postal patrons to invest in banishing wildlife protection programs through the voluntary purchase of specially issued postage stamps; to the Committee on Governmental Affairs.

By Mr. SHELBY (for himself, Mr. CRAPO, and Mr. SANTORUM):

S. 2871. A bill to amend the Gramm-Leahy-Bliley Act, to prohibit the sale and purchase of the social security number of an individual by financial institutions and to include social security numbers in the definition of nonpublic personal information; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CAMPBELL (for himself, Mr. BINGAMAN, and Mr. KYL):

S. 2872. A bill to improve the cause of action for misrepresentation of Indian arts and crafts; to the Committee on Indian Affairs.

By Mr. BENNETT:

S. 2873. A bill to provide for all right, title, and interest in and to certain property in Washington County, Utah, to be vested in the United States; to the Committee on Energy and Natural Resources.

By Mr. MOYNIHAN (for himself, Mr. SCHUMER, Mr. CONRAD, Mr. BREAUX, Mr. ROBB, Mr. MACK, Mr. LIEBERMAN, and Mr. DODD):

S. 2874. A bill to amend the Internal Revenue Code of 1986 to repeal the provision taxing policyholder dividends of mutual life insurance companies and to repeal the policyholders surplus account provisions; to the Committee on Finance.

By Mr. SESSIONS (for himself, Mr. HATCH, Mr. LEAHY, Mr. THURMOND, Mr. TORRICELLI, and Mr. GRASSLEY):

S. 2875. A bill to amend titles 18 and 28, United States Code, with respect to United States magistrate judges; to the Committee on the Judiciary.

By Mr. BUNNING:

S. 2876. A bill to amend the Social Security Act to enhance privacy protections for individuals, to prevent fraudulent misuse of the social security account number, and to provide additional safeguards for Social Security and Supplemental Security Income beneficiaries with representative payees, and for other purposes; to the Committee on Finance.

By Mr. WYDEN (for himself and Mr. SMITH of Oregon):

S. 2877. A bill to authorize the Secretary of the Interior to conduct a feasibility study on water optimization in the Burnt River basin, Malheur River basin, Owyhee River basin, and Powder River basin, Oregon; to the Committee on Energy and Natural Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Ms. SNOWE (for herself, Mr. MURKOWSKI, and Mr. WELLSTONE):

S. Res. 336. Resolution expressing the sense of the Senate regarding the contributions, sacrifices, and distinguished service of Americans exposed to radiation or radioactive materials as a result of service in the Armed Forces; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

Mr. CAMPBELL (for himself, Mr. BINGAMAN, and Mr. KYL):

S. 2872. A bill to improve the cause of action for misrepresentation of Indian arts and crafts; to the Committee on Indian Affairs.

INDIAN ARTS AND CRAFTS ENFORCEMENT ACT OF 2000

Mr. CAMPBELL. Mr. President, today I am pleased to be joined by Senators BINGAMAN and KYL in introducing legislation that makes much-needed amendment to the Indian Arts and Crafts Act of 1990 (the Act).

In 1989 and 1990 I had the pleasure of working on legislation that became the 1990 Act which was enacted with two goals in mind: (1) to promote the market for Indian arts and crafts; and (2) to enforce the provisions of the Act to protect the integrity of authentic Indian goods and Indian artisans.

Today's market for Indian-made goods is roughly $1 billion, but by some estimates half of that demand, or nearly $500 million, is satisfied by counterfeit goods, much of which is produced off-shore and imported illegally into the United States.

The growing influx of inauthentic Indian arts and crafts has not only weakened the market and consumer confidence in Indian goods, but has also endangered traditional Indian customs and practices.

Native communities are plagued by rampant unemployment and a stagnant economy, and the growing influx of inauthentic Indian arts and crafts continues to decimate one of the few forms of entrepreneurship and economic development on Indian reservations.

In addition, this influx also erodes the propagation and practice of traditional beliefs and customs by Native people and must be stopped for that reason alone.

Under the existing Act, the Indian Arts and Crafts Board (''IACB'') is charged with not only promoting Indian arts and crafts, but also has a key role in the enforcement of the Act's civil and criminal provisions. In this role the IACB is required by law to work with the Department of justice to bring complaints against potential violators of the Act.

As of July, 2000, neither the IACB nor the Department of Justice have produced the kind of enforcement results Congress intended when it enacted the 1990 Act. In fact, there has yet to be a single criminal or civil prosecution of the Act, with Indian tribes themselves being forced to take up the slack.

The bill that I am introducing today, would improve enforcement of the Act by (1) enhancing the ability of the plaintiff to assess and calculate damages; (2) authorizing Indian arts and crafts organizations and individual Indians to bring suit for alleged violations of the Act; (3) authorizing a portion of the damages collected to reimburse the IACB for the costs of its role in investigating and bringing about the successful prosecution of the suit; and (4) requiring more precise definitions through the regulations process.

This bill will provide the tools needed to stem the flow of these goods, protect legitimate Indian artisans, and eliminate the economic incentive to steal from Native people that which is theirs.

I am hopeful that this legislation will signal a new day in the enforcement of the Act and encourage both the economic and cultural benefits of authentic Indian arts and crafts.

I ask that a copy of the bill be printed in the RECORD. I thank the Chair and yield the floor.

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

S. 2872

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 ''Indian Arts and Crafts Enforcement Act of 2000''.

SEC. 2. AMENDMENTS TO CIVIL ACTION PROVISIONS.

Section 6 of the Act entitled ''An Act to promote the development of Indian arts and crafts and to create a board to assist therein, and for other purposes'' (25 U.S.C. 305e) (as added by section 105 of the Indian Arts and Crafts Act of 1990 (Public Law 101–644; 104 Stat. 4664)) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by inserting '', directly or indirectly,'' after ''against a person who''; and

(B) by inserting the following flush language after paragraph (2)(B):

''For purposes of paragraph (2)(A), damages shall include any and all gross profits accrued by the defendant as a result of the activities found to violate this subsection.'';

(2) in subsection (c)—

(A) in paragraph (1)—

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

(ii) in subparagraph (B), by striking the period and inserting ''; or''; and

(iii) by adding at the end the following:

''(C) by an Indian arts and crafts organization on behalf of itself, or by an Indian on behalf of himself or herself.''; and

(B) in paragraph (2)(A)—

(i) by striking ''the amount recovered the amount'' and inserting ''the amount recovered—

''(i) the amount''; and

(ii) by adding at the end the following:

''(ii) the amount for the costs of investigation awarded pursuant to subsection (b) and reimburse the Board the amount of such costs incurred as a direct result of Board activities in the suit; and'';

(3) in subsection (d)(2), by inserting ''subject to subsection (f),'' after ''(2)''; and

(4) by adding at the end the following:

''(f) Not later than 180 days after the date of enactment of the Indian Arts and Crafts Enforcement Act of 2000, the Board shall promulgate regulations to include in the definition of the term 'Indian product' specific examples of such product to provide guidance to Indian artisans as well as to purveyors and consumers of Indian arts and crafts, as defined under this Act.''.

By Mr. BENNETT:

S. 2873. A bill to provide for all right, title, and interest in and to certain property in Washington County, Utah, to be vested in the United States; to the Committee on Energy and Natural Resources.

LEGISLATION REGARDING CERTAIN PROPERTY IN WASHINGTON COUNTY, UTAH

Mr. BENNETT. Mr. President, I rise today to introduce a bill which will bring to a close the Federal acquisition of an important piece of private property in Washington County, Utah.

As some of my colleagues are aware, in March of 1991, the desert tortoise was listed as an endangered species under the Endangered Species Act. Government and environmental researchers determined that the land immediately north of St. George, Utah, was prime desert tortoise habitat. Consequently, in February 1996, nearly five years after the listing, the United States Fish and Wildlife Service [USFWS] issued Washington County a section 10 permit under the Endangered Species Act, and a habitat conservation plan [HCP] and an implementation agreement were adopted. Under the plan and agreement, the Bureau of Land Management [BLM] assumed an obligation to acquire private lands in the designated habitat area to form the Red Cliffs Reserve for the protection of the desert tortoise.

One of the private land owners within the reserve is Environmental Land Technology, Limited [ELT], which had earlier acquired approximately 2,440 acres from the State of Utah for purposes of residential and recreational development. In the years preceding the adoption of the habitat conservation plan, ELT completed appraisals, cost estimates, engineering studies, site plans, surveys, utility layouts, right-of-way negotiations, staked out golf courses, and obtained water rights for the development of this land. Prior to the adoption of the HCP, it was not clear which lands the Federal and local governments would decide to set aside for the desert tortoise, although it was assumed that there was sufficient surrounding Federal lands to provide adequate habitat. However, in 1996, with the creation of the Red Cliffs Reserve, which included land belonging to ELT, all development efforts were halted.

With assurances from the Federal Government that the acquisition of the ELT development lands was a high priority, the owner negotiated with, and entered into, an assembled land exchange agreement with the BLM in anticipation of intrastate land exchanges. The private land owner then began a costly process of identifying comparable Federal lands within the State that would be suitable for an exchange for its lands in Washington County. Over the last four years, BLM and the private land owners, including ELT have completed several exchanges, and the Federal Government has acquired, through those exchanges or direct purchases, nearly all of the Private property located within the reserve, except for approximately 1,516 acres of the ELT development land. However, with the creation of the Grand Staircase National Monument in September 1996,

and the subsequent land exchanges between the State of Utah and the Federal Government for the consolidation of Federal lands within the monument, there are no longer sufficient comparable Federal lands within Utah to complete the originally contemplated intrastate exchanges for the remainder of the ELT development land within the reserve.

Faced with this problem, and in light of the high priority the Department of the Interior has placed on acquiring these lands, BLM officials recommended that the ELT lands be acquired by direct purchase. During the FY 2000 budget process, BLM proposed that $30 million be set aside to begin acquiring the remaining lands in Washington County. Unfortunately, because this project involves endangered species habitat and the USFWS is responsible for administering activities under the Endangered Species Act, the Office of Management and Budget shifted the $30 million from the BLM budget request to the USFWS's Cooperative Endangered Species Conservation Fund budget request. Ultimately, however, none of those funds were made available for BLM acquisitions within the Federal section of the reserve. Instead, the funds in that account were made available on a matching basis for the use of individual States to acquire wildlife habitat. The result of this bureaucratic fumbling has resulted in extreme financial hardship for ELT.

The development lands within the Red Cliffs Reserve are ELT's main asset. The establishment of the Washington County HCP has effectively taken this property from this private land owner and has prevented ELT from developing or otherwise disposing of the property. ELT has had to expend virtually all of its resources to hold the property while awaiting the compensation to which it is legally entitled. ELT has had to sell its remaining assets, and the private land owner has also had to sell assets, including his home, to simply hold the property. It is now impossible for him to hold the property any longer. This situation is made more egregious by the failure of the Department of the Interior to request any acquisition funding for FY 2001, even though this acquisition has been designated a high priority. Over the past several years, ELT has pursued all possible avenues to complete the acquisition of these lands. The private land owner has spent millions of dollars pursuing both intrastate and interstate land exchanges and has worked cooperatively with the Department of the Interior. Unfortunately, all of these efforts have been fruitless thus far. Absent the enactment of this legislation, the land owner faces financial ruin. The failure of the government to timely discharge an acknowledged obligation has forced this private land owner to liquidate his business and personal assets and effectively carry the burden of a large portion of the Red Cliffs Reserve on his back. This is clearly not how the government should treat its citizens.

The legislative taking bill that I am introducing today will finally bring this acquisition to a close. In my view, a legislative taking should be an action of last resort. But, if ever a case warranted legislative condemnation, this is it. This bill will transfer all right, title, and interest in the ELT development property within the Red Cliffs Reserve, including an additional 34 acres of landlocked real property owned by ELT which is adjacent to the land within the reserve, to the Federal Government. It provides an initial payment to ELT to pay off existing debts accrued in holding the property, and provides 90 days during which ELT and the Department of the Interior can attempt to reach a negotiated settlement on the remaining value of the property. In the absence of a negotiated amount, the Secretary of the Interior will be required to bring an action in the Federal District Court for the District of Utah to determine a value for the land. Payment for the land, whether negotiated or determined by the court, will be made from the permanent judgment appropriation or any other appropriate account, or, at the option of the land owner, the Secretary of the Interior will credit a surplus property account, established and maintained by the General Services Administration, which the land owner can then use to bid on surplus government property.

This legislation is consistent with the high priority the Department of the Interior has repeatedly placed on this land acquisition, and is a necessary final step towards an equitable resolution for this private land owner. The time for pursuing other options has long since expired. I encourage my colleagues to support the timely enactment of this important legislation.

By Mr. MOYNIHAN (for himself, Mr. SCHUMER, Mr. CONRAD, Mr. BREAUX, Mr. ROBB, Mr. MACK, Mr. LIEBERMAN, and Mr. DODD):

S. 2874. A bill to amend the Internal Revenue Code of 1986 to repeal the provision taxing policyholder dividends of mutual life insurance companies and to repeal the policyholders surplus account provisions; to the Committee on Finance.

LIFE INSURANCE TAX SIMPLIFICATION ACT OF 2000

Mr. MOYNIHAN. Mr. President, today I introduce legislation to simplify the taxation of life insurance companies under the Internal Revenue Code. This bill repeals two sections of the Code that no longer serve valid tax policy goals, section 809 and section 815.

Section 809, which was enacted in 1984 as part of an overhaul of the taxation of life insurance companies, disallows a deduction for some of the dividends that mutual life insurance companies pay to their policyholders. It was enacted at a time when mutual life insurance companies were thought to be the dominant segment of the industry and was intended to ensure that stock life insurance companies were not competitively disadvantaged. Since that time, however, the number of mutual life insurance companies has dwindled while the number of stock life insurance companies has grown and the industry estimates that mutual life insurance companies will constitute less than ten percent of the industry within a few years. The section 809 tax has not been a significant component of the taxes paid by life insurance companies but it has been burdensome because of its unpredictable nature and complexity. Moreover, the original reason for its enactment no longer exists. Therefore, the bill would repeal section 809.

Section 815 was enacted in 1959 along with other changes to the taxation of life insurance companies. The 1959 changes permitted life insurance companies to defer tax on one-half of their underwriting income so long as such income was not distributed to their shareholders. The tax deferred income was accounted for through ''policyholder surplus accounts.'' In 1984, Congress revised the taxation of mutual and stock life insurance companies and as part of these revisions, stock life insurance companies were no longer permitted to defer tax on one half of their underwriting income or add to their policyholder surplus accounts. At the same time, Congress did not eliminate the existing policyholder surplus accounts or trigger tax on the accrued amounts but instead left them in place. Thus, the amounts in those accounts remain subject to tax only when a triggering event occurs (for example, direct or indirect distributions to shareholders). Since 1984, little revenue has been collected under this provision as companies avoid triggering events. The Administration recently has proposed taxing the amounts in the accounts, creating uncertainty for companies with these accounts. Finally, only life insurance companies that were in existence in 1984 even have these accounts. The bill would repeal this provision.

Elimination of these complicated and outmoded provisions will provide greater certainty to the taxation of these companies and allow them to restructure their businesses to compete in the developing global financial services marketplace. While this bill is only a modest attempt to simplify the taxation of one sector of our economy, it represents a first step towards overall simplification of our Internal Revenue Code.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2874

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 ''Life Insurance Tax Simplification Act of 2000''.

SEC. 2. REPEAL OF REDUCTION OF DEDUCTIONS FOR MUTUAL LIFE INSURANCE COMPANIES.

(a) IN GENERAL.—Section 809 of the Internal Revenue Code of 1986 (relating to reductions in certain deductions of mutual life insurance companies) is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1) Subsections (a)(2)(B) and (b)(1)(B) of section 807 of such Code are each amended by striking ''the sum of (i)'' and by striking ''plus (ii) any excess described in section 809(a)(2) for the taxable year,''.

(2)(A) The last sentence of section 807(d)(1) of such Code is amended by striking ''section 809(b)(4)(B)'' and inserting ''paragraph (6)''.

(B) Subsection (d) of section 807 of such Code is amended by adding at the end the following new paragraph:

''(6) STATUTORY RESERVES.—The term 'statutory reserves' means the aggregate amount set forth in the annual statement with respect to items described in section 807(c). Such term shall not include any reserve attributable to a deferred and uncollected premium if the establishment of such reserve is not permitted under section 811(c).''

(3) Subsection (c) of section 808 of such Code is amended to read as follows:

''(c) AMOUNT OF DEDUCTION.—The deduction for policyholder dividends for any taxable year shall be an amount equal to the policyholder dividends paid or accrued during the taxable year.''

(4) Subparagraph (A) of section 812(b)(3) of such Code is amended by striking ''sections 808 and 809'' and inserting ''section 808''.

(5) Subsection (c) of section 817 of such Code is amended by striking ''(other than section 809)''.

(6) Subsection (c) of section 842 of such Code is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(7) The table of sections for subpart C of part I of subchapter L of chapter 1 of such Code is amended by striking the item relating to section 809.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 3. REPEAL OF POLICYHOLDERS SURPLUS ACCOUNT PROVISIONS.

(a) IN GENERAL.—Section 815 of the Internal Revenue Code of 1986 (relating to distributions to shareholders from pre-1984 policyholders surplus account) is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 801 of such Code is amended by striking subsection (c).

(2) The table of sections for subpart D of part I of subchapter L of chapter 1 of such Code is amended by striking the item relating to section 815.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

By Mr. SESSIONS (for himself, Mr. HATCH, Mr. LEAHY, Mr. THURMOND, Mr. TORRICELLI, and Mr. GRASSLEY):

S. 2875. A bill to amend titles 18 and 28, United States Code, with respect to United States magistrate judges; to the Committee on the Judiciary.

MAGISTRATE JUDGE IMPROVEMENT ACT OF 2000

Mr. SESSIONS. Mr. President, I rise today on behalf of myself and Senators HATCH, LEAHY, THURMOND, TORRICELLI, and GRASSLEY, to introduce the Magistrate Judge Improvement Act of 2000. We are introducing this legislation because we believe that the modest reforms it seeks to make will greatly enhance the efficiencies and effectiveness of the Federal court system. In fact, the changes proposed by this legislation are based on recommendations made by the Judicial Conference and the Magistrate Judges Association, and this legislation has the strong support of both organizations. I do not believe that this legislation is controversial, and I encourage my colleagues to join in support of this initiative.

Over the years, Congress has repeatedly recognized the important role that magistrate judges have in helping to ensure the smooth and efficient functioning of the federal judicial system. For example, Congress has deemed it appropriate to allow magistrate judges to have final disposition authority, with the consent of the parties, in civil and misdemeanor cases pending before a district court. This was done, in part, to help federal district courts better manage their dockets by providing litigants with a viable alternative that they could utilize in the resolution of their claims. Despite the fact that magistrate judges have been asked to play a greater role in adjudicating cases that had traditionally been tried before district courts, magistrates have not been granted the same powers that district courts enjoy to enforce their oral and written orders or even to maintain order in their courtrooms. The Magistrate Judge Improvement Act of 2000 seeks to correct this imbalance, while also making additional reforms that will greatly enhance the efficiencies provided by magistrate courts. In particular, this legislation will make three important, and common-sense reforms.

First: The bill will grant magistrate judges limited contempt authority in criminal and civil cases. Under current law, magistrate judges do not have any contempt authority at all, and are required to certify any instances of improper behavior to a district court judge for resolution. This lack of authority undermines the magistrate judges ability to ensure compliance with their orders, and to control disorderly behavior in their courtroom. By giving magistrate judges contempt authority, Congress will greatly enhance their ability to assist district courts in the application of federal law.

Second: The bill will improve district court efficiency by empowering magistrate judges to handle all petty offense cases without the consent of the defendant. Current law already allows magistrate judges to try Class B misdemeanors charging a motor vehicle offense and all Class C misdemeanors and infractions without the consent of the defendant. By expanding this authority to encompass all Class B misdemeanors, instead of just those involving motor vehicle offenses, we will help reduce the dockets of the district courts as they will no longer be the primary forum for resolving a wide variety of relatively minor offenses.

Third: The bill will grant magistrate judges the ability to enter sentences of incarceration in juvenile misdemeanor cases. Under current law, magistrate judges are empowered to try and sentence juvenile defendants accused of Class B and Class C misdemeanor offenses; however, they are precluded from entering sentences of imprisonment. This is an unusual lack of authority because magistrates are empowered under current law to order the pretrial detention of juvenile defendants who have committed felonies. This legislation remedies this situation by granting magistrate judges the ability to enter minimal sentences of incarceration in the misdemeanor cases they adjudicate. In addition, the legislation extends the scope of magistrate judge authority to ensure that they are empowered to preside over all classes of misdemeanor offenses, including Class A misdemeanors.

As you can see, these are all sensible and reasonable reforms and their enactment into law will go a long way towards strengthening an important component of our Federal Judiciary. I urge my colleagues to join in support of this legislation, and I look forward to working with them in the hopes of getting this bill passed before Congress adjourns for the year. I ask that a copy of this bill be printed in the RECORD.

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

S. 2875

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 ''Magistrate Judge Improvement Act of 2000''.

SEC. 2. MAGISTRATE JUDGE CONTEMPT AUTHORITY.

Section 636(e) of title 28, United States Code is amended to read as follows:

''(e) MAGISTRATE JUDGE CONTEMPT AUTHORITY.—

''(1) IN GENERAL.—A United States magistrate judge serving under this chapter shall have within the territorial jurisdiction prescribed by his or her appointment the power to exercise contempt authority as set forth in this subsection.

''(2) SUMMARY CRIMINAL CONTEMPT AUTHORITY.—A magistrate judge shall have the power to punish summarily by fine or imprisonment such contempt of the authority of that magistrate judge constituting misbehavior of any person in the presence of the magistrate judge so as to obstruct the administration of justice. The order of contempt shall be issued pursuant to Federal Rules of Criminal Procedure.

''(3) ADDITIONAL CRIMINAL CONTEMPT AUTHORITY IN CIVIL CONSENT AND MISDEMEANOR CASES.—In any case in which a United States magistrate judge presides with the consent of the parties under subsection (c) of this section, and in any misdemeanor case proceeding before a magistrate judge under section 3401 of title 18, the magistrate judge shall have the power to punish by fine or imprisonment such criminal contempt constituting disobedience or resistance to the lawful writ, process, order, rule, decree, or command of the magistrate judge. Disposition of such contempt shall be conducted upon notice and hearing pursuant to the Federal Rules of Criminal Procedure.

''(4) CIVIL CONTEMPT AUTHORITY IN CIVIL CONSENT AND MISDEMEANOR CASES.—In any case in which a United States magistrate judge presides with the consent of the parties under subsection (c) of this section, and in any misdemeanor case proceeding before a magistrate judge under section 3401 of title 18, the magistrate judge may exercise the civil contempt authority of the district court. This paragraph shall not be construed to limit the authority of a magistrate judge to order sanctions pursuant to any other statute, the Federal Rules of Civil Procedure, or the Federal Rules of Criminal Procedure.

''(5) CRIMINAL CONTEMPT PENALTIES.—The sentence imposed by a magistrate judge for any criminal contempt set forth in paragraphs (2) and (3) of this subsection shall not exceed the penalties for a class C misdemeanor as set forth in sections 3571(b)(6) and 3581(b)(8) of title 18.

''(6) CERTIFICATION OF OTHER CONTEMPTS TO THE DISTRICT JUDGE.—

''(A) IN GENERAL.—Upon the commission of any act described in subparagraph (B)—

''(i) the magistrate judge shall promptly certify the facts to a district judge and may serve or cause to be served upon any person whose behavior is brought into question under this paragraph an order requiring such person to appear before a district judge upon a day certain to show cause why such person should not be adjudged in contempt by reason of the facts so certified; and

''(ii) the district judge shall hear the evidence as to the act or conduct complained of and, if it is such as to warrant punishment, punish such person in the same manner and to the same extent as for a contempt committed before a district judge.

''(B) ACTS DESCRIBED.—An act is described in this subparagraph if it is—

''(i) in any case in which a United States magistrate judge presides with the consent of the parties under subsection (c) of this section, or in any misdemeanor case proceeding before a magistrate judge under section 3401 of title 18, an act that may, in the opinion of the magistrate judge, constitute a serious criminal contempt punishable by penalties exceeding those set forth in paragraph (5) of this subsection; or

''(ii) in any other case or proceeding under subsection (a) or (b), or any other statute—

''(I) an act committed in the presence of the magistrate judge that may, in the opinion of the magistrate judge, constitute a serious criminal contempt punishable by penalties exceeding those set forth in paragraph (5);

''(II) an act that constitutes a criminal contempt that occurs outside the presence of the magistrate judge; or

''(III) an act that constitutes a civil contempt.

''(7) APPEALS OF MAGISTRATE JUDGE CONTEMPT ORDERS.—The appeal of an order of contempt issued pursuant to this section shall be made to the court of appeals in any case proceeding under subsection (c). The appeal of any other order of contempt issued pursuant to this section shall be made to the district court.''.

SEC. 3. MAGISTRATE JUDGE AUTHORITY IN PETTY OFFENSE CASES.

(a) TITLE 18, UNITED STATES CODE.—Section 3401(b) of title 18, United States Code, is amended in the first sentence by striking ''that is a class B'' and all that follows through ''infraction''.

(b) TITLE 28, UNITED STATES CODE.—Section 636(a) of title 28, United States Code, is amended by striking paragraphs (4) and (5) and inserting the following:

''(4) the power to enter a sentence for a petty offense; and

''(5) the power to enter a sentence for a class A misdemeanor in a case in which the parties have consented.''.

SEC. 4. MAGISTRATE JUDGE AUTHORITY IN CASES INVOLVING JUVENILES.

Section 3401(g) of title 18, United States Code, is amended—

(1) by striking the first sentence and inserting the following: ''The magistrate judge may, in a petty offense case involving a juvenile, exercise all powers granted to the district court under chapter 403 of this title.'';

(2) in the second sentence by striking ''any other class B or C misdemeanor case'' and inserting ''the case of any misdemeanor, other than a petty offense,''; and

(3) by striking the last sentence.

By Mr. BUNNING:

S. 2876. A bill to amend the Social Security Act to enhance privacy protections for individuals, to prevent fraudulent misuse of the social security account number, and to provide additional safeguards for Social Security and Supplemental Security Income beneficiaries with representative payees, and for other purposes; to the Committee on Finance.

PRIVACY AND IDENTITY PROTECTION ACT OF 2000

Mr. BUNNING. Mr. President, I rise today to introduce legislation that is designed to protect the privacy of all Americans from identity theft caused by theft or abuse of an individual's Social Security number (SSN).

Mr. President, identity theft is the fastest growing financial crime in the nation, affecting an estimated 500,000 to 700,000 people annually. Allegations of fraudulent Social Security number use for identity theft increased from 26,531 cases in 1998 to 62,000 in 1999—this is a 233 percent increase in just one year!

In May of this year, the Privacy Rights Clearinghouse released a report that found of the more than 75% of identity theft crimes that took place last year, ''true name'' fraud was involved. What is ''true name'' fraud?

It is when someone uses your Social Security number to open new accounts in the victim's name. That means a common criminal can apply for credit cards, buy a car, obtain personal, business, auto or real estate loans, do just about anything in your name and you may not even know about it for months or even years. Across the country there are people who can tell you about losing their life savings or having their credit history damaged, simply because someone had obtained their Social Security number and fraudulently assumed their identity.

My bill prohibits the sale of Social Security numbers by the private sector, Federal, State and local government agencies. My bill strengthens existing criminal penalties for enforcement of Social Security number violations to include those by government employees. It amends the Fair Credit Reporting Act to include the Social Security number as part of the information protected under the law, enhances law enforcement authority of the Office of Inspector General, and allows Federal courts to order defendants to make restitution to the Social Security Trust Funds.

Mr. President, I think that it is high time that we get back to the original purpose of the Social Security number. Social Security numbers were designed to be used to track workers and their earnings so that their benefits could be accurately calculated when a worker retires—nothing else.

My bill would also prohibit the display of Social Security numbers on drivers licenses, motor vehicle registration and other related identification records, like the official Senate ID Card.

I urge my colleagues to cosponsor this very important piece of legislation.

By Mr. WYDEN (for himself and Mr. SMITH of Oregon):

S. 2877. A bill to authorize the Secretary of the Interior to conduct a feasibility study on water optimization in the Burnt River basin, Malheur River basin, Owyhee River basin, and Powder River basin, Oregon; to the Committee on Energy and Natural Resources.

IMPROVED WATER MANAGEMENT IN EASTERN OREGON

● Mr. WYDEN. Mr. President, I am introducing today legislation that will allow the Bureau of Reclamation to conduct a feasibility study on ways to improve water management in the Malheur, Owyhee, Powder and Burnt River basins in northeastern Oregon. An earlier study by the Bureau identified a number of problems on these four Snake River tributaries, including high water temperatures and degraded fish habitat.

These types of problems are not unique to these rivers; in fact, many rivers in the Pacific Northwest are in a similar condition. However, Oregon has a unique approach to solving these problems through the work of Watershed Councils. In these Councils, local farmers, ranchers and other stakeholders sit down together with the resource agencies to develop action plans to solve local problems.

The Council members have the local knowledge of the land and waters, but they don't have technical expertise. The Bureau of Reclamation has the expertise to collect the kinds of water flow and water quality data that are needed to understand how the watershed works and how effective different solutions might be.

One class of possible solutions includes small-scale construction projects, such as upgrading of irrigation systems and creation of wetlands to act as pollutant filters. This legislation would allow the Bureau of Reclamation to partner with the Watershed Councils in determining how such small-scale construction projects might benefit both the environment and the local economy.

This bill authorizes a study; it does not authorize actual construction. It simply enables the Bureau to help find the most logical solution to resource management issues.

I look forward to a hearing on this bill in the Energy and Natural Resources Subcommittee on Water and Power. I welcome my colleague, Mr. SMITH, as an original co-sponsor of this bill.

I ask unanimous consent that my statement and a copy of the bill be printed in the RECORD.

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

S. 2877

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 ''Burnt, Malheur, Owyhee, and Powder River Basin Water Optimization Feasibility Study Act of 2000''.

SEC. 2. STUDY.

The Secretary of the Interior may conduct a feasibility study on water optimization in the Burnt River basin, Malheur River basin, Owyhee River basin, and Powder River basin, Oregon.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.●

ADDITIONAL COSPONSORS

S. 1109

At the request of Mr. MCCONNELL, the name of the Senator from Utah (Mr. BENNETT) was added as a cosponsor of S. 1109, a bill to conserve global bear populations by prohibiting the importation, exportation, and interstate trade of bear viscera and items, products, or substances containing, or labeled or advertised as containing, bear viscera, and for other purposes.

S. 1810

At the request of Mrs. MURRAY, the name of the Senator from Washington (Mr. GORTON) was added as a cosponsor of S. 1810, a bill to amend title 38, United States Code, to clarify and improve veterans' claims and appellate procedures.

S. 2217

At the request of Mr. CAMPBELL, the names of the Senator from Wisconsin (Mr. KOHL) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. 2217, a bill to require the Secretary of the Treasury to mint coins in commemoration of the National Museum of the American Indian of the Smithsonian Institution, and for other purposes.

S. 2274

At the request of Mr. GRASSLEY, the name of the Senator from Kansas (Mr. BROWNBACK) was added as a cosponsor of S. 2274, a bill to amend title XIX of the Social Security Act to provide families and disabled children with the opportunity to purchase coverage under the medicaid program for such children.

S. 2293

At the request of Mr. SANTORUM, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 2293, a bill to amend the Federal Deposit Insurance Act and the Federal Home Loan Bank Act to provide for the payment of Financing Corporation interest obligations from balances in the deposit insurance funds in excess of an established ratio and, after such obligations are satisfied, to provide for rebates to insured depository institutions of such excess reserves.

S. 2394

At the request of Mr. MOYNIHAN, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 2394, a bill to amend title XVIII of the Social Security Act to stabilize indirect graduate medical education payments.

S. 2544

At the request of Mr. ROCKEFELLER, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 2544, a bill to amend title 38, United States Code, to provide compensation and benefits to children of female Vietnam veterans who were born with certain birth defects, and for other purposes.

S. 2589

At the request of Mr. JOHNSON, the names of the Senator from Kansas (Mr. ROBERTS) and the Senator from New Mexico (Mr. BINGAMAN) were added as cosponsors of S. 2589, a bill to amend the Federal Deposit Insurance Act to require periodic cost of living adjustments to the maximum amount of deposit insurance available under that Act, and for other purposes.

S. 2686

At the request of Mr. COCHRAN, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 2686, a bill to amend chapter 36 of title 39, United States Code, to modify rates relating to reduced rate mail matter, and for other purposes.

S. 2696

At the request of Mr. CONRAD, the name of the Senator from Alaska (Mr. MURKOWSKI) was added as a cosponsor of S. 2696, a bill to prevent evasion of United States excise taxes on cigarettes, and for other purposes.

S. 2700

At the request of Mr. L. CHAFEE, the names of the Senator from West Virginia (Mr. ROCKEFELLER) and the Senator from Arkansas (Mrs. LINCOLN) were added as cosponsors of S. 2700, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to promote the cleanup and reuse of brownfields, to provide financial assistance for brownfields revitalization, to enhance State response programs, and for other purposes.

S. 2703

At the request of Mr. AKAKA, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. 2703, a bill to amend the provisions of title 39, United States Code, relating to the manner in which pay policies and schedules and fringe benefit programs for postmasters are established.

S. 2714

At the request of Mrs. LINCOLN, the name of the Senator from West Virginia (Mr. ROCKEFELLER) was added as a cosponsor of S. 2714, a bill to amend the Internal Revenue Code of 1986 to provide a higher purchase price limitation applicable to mortgage subsidy bonds based on median family income.

S. 2758

At the request of Mr. GRAHAM, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 2758, a bill to amend title XVIII of the Social Security Act to provide coverage of outpatient prescription drugs under the medicare program.

S. 2787

At the request of Mr. BIDEN, the names of the Senator from Hawaii (Mr. AKAKA) and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 2787, a bill to reauthorize the Federal programs to prevent violence against women, and for other purposes.

S. 2869

At the request of Mr. HATCH, the name of the Senator from Oregon (Mr. SMITH) was added as a cosponsor of S. 2869, a bill to protect religious liberty, and for other purposes.

S. CON. RES. 60

At the request of Mr. FEINGOLD, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. Con. Res. 60, a concurrent resolution expressing the sense of Congress that a commemorative postage stamp should be issued in honor of the U.S.S. *Wisconsin* and all those who served aboard her.

S. RES. 279

At the request of Mrs. BOXER, the name of the Senator from Nevada (Mr. BRYAN) was added as a cosponsor of S. Res. 279, a resolution expressing the sense of the Senate that the United States Senate Committee on Foreign Relations should hold hearings and the Senate should act on the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW).

S. RES. 286

At the request of Mrs. BOXER, the name of the Senator from Nevada (Mr. BRYAN) was added as a cosponsor of S. Res. 286, a resolution expressing the sense of the Senate that the United States Senate Committee on Foreign Relations should hold hearings and the Senate should act on the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW).

S. RES. 294

At the request of Mr. ABRAHAM, the names of the Senator from Montana (Mr. BAUCUS) and the Senator from Utah (Mr. HATCH) were added as cosponsors of S. Res. 294, a resolution designating the month of October 2000 as ''Children's Internet Safety Month.''

S. RES. 304

At the request of Mr. BIDEN, the names of the Senator from Kentucky

(Mr. BUNNING), the Senator from Nevada (Mr. REID), and the Senator from Iowa (Mr. GRASSLEY) were added as cosponsors of S. Res. 304, a resolution expressing the sense of the Senate regarding the development of educational programs on veterans' contributions to the country and the designation of the week that includes Veterans Day as ''National Veterans Awareness Week'' for the presentation of such educational programs.

AMENDMENT NO. 3828

At the request of Mr. BINGAMAN, the names of the Senator from Maryland (Ms. MIKULSKI), the Senator from Rhode Island (Mr. REED), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of amendment No. 3828 proposed to H.R. 8, a bill to amend the Internal Revenue Code of 1986 to phaseout the estate and gift taxes over a 10-year period.

SENATE RESOLUTION 336—EXPRESSING THE SENSE OF THE SENATE REGARDING THE CONTRIBUTIONS, SACRIFICIES, AND DISTINGUISHED SERVICE OF AMERICANS EXPOSED TO RADIATION OR RADIOACTIVE MATERIALS AS A RESULT OF SERVICE IN THE ARMED FORCES

Ms. SNOWE (for herself, Mr. MURKOWSKI, and Mr. WELLSTONE) submitted the following resolution, which was considered and agreed to:

S. RES. 336

Whereas the Nation has a responsibility to veterans who are injured, or who incur a disease, while serving in the Armed Forces, including the provision of health care, cash compensation, and other benefits for such disabilities;

Whereas from 1945 to 1963, the United States conducted test explosions of approximately 235 nuclear devices, potentially exposing approximately 220,000 members of the Armed Forces to unknown levels of radiation, and approximately 195,000 members of the Armed Forces have been identified as participants in the occupation of Hiroshima and Nagasaki, Japan, after World War II;

Whereas many of these veterans later claimed that low levels of radiation released during such tests, or exposure to radiation during such occupation, may be a cause of certain medical conditions; and

Whereas Sunday, July 16, 2000, is the 55th anniversary of the first nuclear explosion, the Trinity Shot in New Mexico: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) July 16, 2000, should be designated as a ''National Day of Remembrance'' in order to honor veterans exposed to radiation or radioactive materials during service in the Armed Forces; and

(2) the contributions, sacrifices, and distinguished service on behalf of the United States of the Americans exposed to radiation or radioactive materials while serving in the Armed Forces are worthy of solemn recognition.

AMENDMENTS SUBMITTED

MARRIAGE PENALTY TAX RELIEF ACT

FEINGOLD AMENDMENTS NOS. 3845–3846

Mr. FEINGOLD proposed two amendments to the bill (H.R. 4810) to provide for reconciliation pursuant to section 103(a)(1) of the concurrent resolution on the budget for fiscal year 2001; as follows:

AMENDMENT NO. 3845

Beginning on page 2, line 5, strike all through page 5, line 11, and insert:

SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) of the Internal Revenue Code of 1986 (relating to standard deduction) is amended—

(1) by striking ''$5,000'' in subparagraph (A) and inserting ''200 percent of the dollar amount in effect under subparagraph (C) for the taxable year'';

(2) by striking ''$4,400'' in subparagraph (B) and inserting ''$7,500'';

(3) by adding ''or'' at the end of subparagraph (B);

(4) by striking ''$3,000 in the case of'' and all that follows in subparagraph (C) and inserting ''$4,750 in any other case.''; and

(5) by striking subparagraph (D).

(b) TECHNICAL AMENDMENTS.—

(1) Section 63(c)(4) of such Code is amended by adding at the end the following flush sentence:

''The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).''.

(2) Section 63(c)(4)(B) of such Code is amended—

(A) by redesignating clause (ii) as clause (iii); and

(B) by striking clause (i) and inserting:

''(i) 'calendar year 2000' in the case of the dollar amounts contained in paragraph (2),

''(ii) 'calendar year 1987' in the case of the dollar amounts contained in paragraph (5)(A) or subsection (f), and''.

(3) Subparagraph (B) of section 1(f)(6) of such Code is amended by striking ''(other than with'' and all that follows through ''shall be applied'' and inserting ''(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

AMENDMENT NO. 3846

At the end of the bill, add the following:

TITLE II—COBRA CONTINUATION COVERAGE

Subtitle A—Tax Credit for Insurance Costs

SEC. 201. CREDIT FOR HEALTH INSURANCE COSTS OF INDIVIDUALS WITH COBRA COVERAGE.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25A the following new section:

''SEC. 25B. HEALTH INSURANCE COSTS OF INDIVIDUALS WITH COBRA COVERAGE.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 25 percent of the amount paid during the taxable year for coverage for the taxpayer, his spouse, and dependents under qualified health insurance.

''(b) LIMITATION ON COVERAGE.—Amounts paid for coverage of an individual for any month shall not be taken into account under subsection (a) if, as of the first day of such month, such individual is covered under any medical care program described in—

''(1) title XVIII, XIX, or XXI of the Social Security Act,

''(2) chapter 55 of title 10, United States Code,

''(3) chapter 17 of title 38, United States Code,

''(4) chapter 89 of title 5, United States Code, or

''(5) the Indian Health Care Improvement Act.

''(c) QUALIFIED HEALTH INSURANCE.—For purposes of this section, the term 'qualified health insurance' means health insurance coverage (as defined under section 9832(b)(1)(A)) which constitutes continuation coverage under a group health plan which is required to be provided by Federal law for an individual during the period specified in section 4980B(f)(2)(B).

''(d) SPECIAL RULES.—

''(1) COORDINATION WITH OTHER DEDUCTIONS.—No credit shall be allowed under this section for the taxable year if any amount paid for qualified health insurance is taken into account in determining the deduction allowed for such year under section 213 or 220.

''(2) DENIAL OF CREDIT TO DEPENDENTS.—No credit shall be allowed under this section to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.''.

(b) REGULATIONS.—The Secretary of the Treasury shall promulgate such regulations as necessary to carry out the provisions of this section, including reporting requirements for employers.

(c) CLERICAL AMENDMENT.—The table of sections for subpart A part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 25A the following new item:

''Sec. 25B. Health insurance costs of individuals with COBRA coverage.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

Subtitle B—COBRA Protection for Early Retirees

CHAPTER 1—AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

SEC. 211. COBRA CONTINUATION BENEFITS FOR CERTAIN RETIRED WORKERS WHO LOSE RETIREE HEALTH COVERAGE.

(a) ESTABLISHMENT OF NEW QUALIFYING EVENT.—

(1) IN GENERAL.—Section 603 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1163) is amended by inserting after paragraph (6) the following new paragraph:

''(7) The termination or substantial reduction in benefits (as defined in section 607(7)) of group health plan coverage as a result of plan changes or termination in the case of a covered employee who is a qualified retiree.''.

(2) QUALIFIED RETIREE; QUALIFIED BENEFICIARY; AND SUBSTANTIAL REDUCTION DEFINED.—Section 607 of such Act (29 U.S.C. 1167) is amended—

(A) in paragraph (3)—

(i) in subparagraph (A), by inserting ''except as otherwise provided in this paragraph,'' after ''means,''; and

(ii) by adding at the end the following new subparagraph:

''(D) SPECIAL RULE FOR QUALIFYING RETIREES AND DEPENDENTS.—In the case of a qualifying event described in section 603(7), the term 'qualified beneficiary' means a qualified retiree and any other individual who, on the day before such qualifying event, is a beneficiary under the plan on the basis of the individual's relationship to such qualified retiree.''; and

(B) by adding at the end the following new paragraphs:

''(6) QUALIFIED RETIREE.—The term 'qualified retiree' means, with respect to a qualifying event described in section 603(7), a covered employee who, at the time of the event—

''(A) has attained 55 years of age; and

''(B) was receiving group health coverage under the plan by reason of the retirement of the covered employee.

''(7) SUBSTANTIAL REDUCTION.—The term 'substantial reduction'—

''(A) means, as determined under regulations of the Secretary and with respect to a qualified beneficiary, a reduction in the average actuarial value of benefits under the plan (through reduction or elimination of benefits, an increase in premiums, deductibles, copayments, and coinsurance, or any combination thereof), since the date of commencement of coverage of the beneficiary by reason of the retirement of the covered employee (or, if later, July 12, 2000), in an amount equal to at least 50 percent of the total average actuarial value of the benefits under the plan as of such date (taking into account an appropriate adjustment to permit comparison of values over time); and

''(B) includes an increase in premiums required to an amount that exceeds the premium level described in the fourth sentence of section 602(3).''.

(b) DURATION OF COVERAGE THROUGH AGE 65.—Section 602(2)(A) of such Act (29 U.S.C. 1162(2)(A)) is amended—

(1) in clause (ii), by inserting ''or 603(7)'' after ''603(6)'';

(2) in clause (iv), by striking ''or 603(6)'' and inserting '', 603(6), or 603(7)'';

(3) by redesignating clause (iv) as clause (vi);

(4) by redesignating clause (v) as clause (iv) and by moving such clause to immediately follow clause (iii); and

(5) by inserting after such clause (iv) the following new clause:

''(v) SPECIAL RULE FOR CERTAIN BENEFICIARIES IN CASE OF TERMINATION OR SUBSTANTIAL REDUCTION OF RETIREE HEALTH COVERAGE.—In the case of a qualifying event described in section 603(7), in the case of a qualified beneficiary described in section 607(3)(D) who is not the qualified retiree or spouse of such retiree, the later of—

''(I) the date that is 36 months after the earlier of the date the qualified retiree becomes entitled to benefits under title XVIII of the Social Security Act, or the date of the death of the qualified retiree; or

''(II) the date that is 36 months after the date of the qualifying event.''.

(c) TYPE OF COVERAGE IN CASE OF TERMINATION OR SUBSTANTIAL REDUCTION OF RETIREE HEALTH COVERAGE.—Section 602(1) of such Act (29 U.S.C. 1162(1)) is amended—

(1) by striking ''The coverage'' and inserting the following:

''(A) IN GENERAL.—Except as provided in subparagraph (B), the coverage''; and

(2) by adding at the end the following:

''(B) CERTAIN RETIREES.—In the case of a qualifying event described in section 603(7), in applying the first sentence of subparagraph (A) and the fourth sentence of paragraph (3), the coverage offered that is the most prevalent coverage option (as determined under regulations of the Secretary) continued under the group health plan (or, if none, under the most prevalent other plan offered by the same plan sponsor) shall be treated as the coverage described in such sentence, or (at the option of the plan and qualified beneficiary) such other coverage option as may be offered and elected by the qualified beneficiary involved.''.

(d) INCREASED LEVEL OF PREMIUMS PERMITTED.—Section 602(3) of such Act (29 U.S.C. 1162(3)) is amended by adding at the end the following new sentence: ''In the case of an individual provided continuation coverage by reason of a qualifying event described in section 603(7), any reference in subparagraph (A) of this paragraph to '102 percent of the applicable premium' is deemed a reference to '125 percent of the applicable premium for employed individuals (and their dependents, if applicable) for the coverage option referred to in paragraph (1)(B)'.''.

(e) NOTICE.—Section 606(a) of such Act (29 U.S.C. 1166) is amended—

(1) in paragraph (4)(A), by striking ''or (6)'' and inserting ''(6), or (7)''; and

(2) by adding at the end the following:

''The notice under paragraph (4) in the case of a qualifying event described in section 603(7) shall be provided at least 90 days before the date of the qualifying event.''.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section (other than subsection (e)(2)) shall apply to qualifying events occurring on or after July 12, 2000. In the case of a qualifying event occurring on or after such date and before the date of the enactment of this Act, such event shall be deemed (for purposes of such amendments) to have occurred on the date of the enactment of this Act.

(2) ADVANCE NOTICE OF TERMINATIONS AND REDUCTIONS.—The amendment made by subsection (e)(2) shall apply to qualifying events occurring after the date of the enactment of this Act, except that in no case shall notice be required under such amendment before such date.

CHAPTER 2—AMENDMENTS TO THE PUBLIC HEALTH SERVICE ACT

SEC. 221. COBRA CONTINUATION BENEFITS FOR CERTAIN RETIRED WORKERS WHO LOSE RETIREE HEALTH COVERAGE.

(a) ESTABLISHMENT OF NEW QUALIFYING EVENT.—

(1) IN GENERAL.—Section 2203 of the Public Health Service Act (42 U.S.C. 300bb–3) is amended by inserting after paragraph (5) the following new paragraph:

''(6) The termination or substantial reduction in benefits (as defined in section 2208(6)) of group health plan coverage as a result of plan changes or termination in the case of a covered employee who is a qualified retiree.''.

(2) QUALIFIED RETIREE; QUALIFIED BENEFICIARY; AND SUBSTANTIAL REDUCTION DEFINED.—Section 2208 of such Act (42 U.S.C. 300bb–8) is amended—

(A) in paragraph (3)—

(i) in subparagraph (A), by inserting ''except as otherwise provided in this paragraph,'' after ''means,''; and

(ii) by adding at the end the following new subparagraph:

''(C) SPECIAL RULE FOR QUALIFYING RETIREES AND DEPENDENTS.—In the case of a qualifying event described in section 2203(6), the term 'qualified beneficiary' means a qualified retiree and any other individual who, on the day before such qualifying event, is a beneficiary under the plan on the basis of the individual's relationship to such qualified retiree.''; and

(B) by adding at the end the following new paragraphs:

''(5) QUALIFIED RETIREE.—The term 'qualified retiree' means, with respect to a qualifying event described in section 2203(6), a covered employee who, at the time of the event—

''(A) has attained 55 years of age; and

''(B) was receiving group health coverage under the plan by reason of the retirement of the covered employee.

''(6) SUBSTANTIAL REDUCTION.—The term 'substantial reduction'—

''(A) means, as determined under regulations of the Secretary of Labor and with respect to a qualified beneficiary, a reduction in the average actuarial value of benefits under the plan (through reduction or elimination of benefits, an increase in premiums, deductibles, copayments, and coinsurance, or any combination thereof), since the date of commencement of coverage of the beneficiary by reason of the retirement of the covered employee (or, if later, July 12, 2000), in an amount equal to at least 50 percent of the total average actuarial value of the benefits under the plan as of such date (taking into account an appropriate adjustment to permit comparison of values over time); and

''(B) includes an increase in premiums required to an amount that exceeds the premium level described in the fourth sentence of section 2202(3).''.

(b) DURATION OF COVERAGE THROUGH AGE 65.—Section 2202(2)(A) of such Act (42 U.S.C. 300bb–2(2)(A)) is amended—

(1) by redesignating clause (iii) as clause (iv); and

(2) by inserting after clause (ii) the following new clause:

''(iii) SPECIAL RULE FOR CERTAIN BENEFICIARIES IN CASE OF TERMINATION OR SUBSTANTIAL REDUCTION OF RETIREE HEALTH COVERAGE.—In the case of a qualifying event described in section 2203(6), in the case of a qualified beneficiary described in section 2208(3)(C) who is not the qualified retiree or spouse of such retiree, the later of—

''(I) the date that is 36 months after the earlier of the date the qualified retiree becomes entitled to benefits under title XVIII of the Social Security Act, or the date of the death of the qualified retiree; or

''(II) the date that is 36 months after the date of the qualifying event.''.

(c) TYPE OF COVERAGE IN CASE OF TERMINATION OR SUBSTANTIAL REDUCTION OF RETIREE HEALTH COVERAGE.—Section 2202(1) of such Act (42 U.S.C. 300bb–2(1)) is amended—

(1) by striking ''The coverage'' and inserting the following:

''(A) IN GENERAL.—Except as provided in subparagraph (B), the coverage''; and

(2) by adding at the end the following:

''(B) CERTAIN RETIREES.—In the case of a qualifying event described in section 2203(6), in applying the first sentence of subparagraph (A) and the fourth sentence of paragraph (3), the coverage offered that is the most prevalent coverage option (as determined under regulations of the Secretary of Labor) continued under the group health plan (or, if none, under the most prevalent other plan offered by the same plan sponsor) shall be treated as the coverage described in such sentence, or (at the option of the plan and qualified beneficiary) such other coverage option as may be offered and elected by the qualified beneficiary involved.''.

(d) INCREASED LEVEL OF PREMIUMS PERMITTED.—Section 2202(3) of such Act (42 U.S.C. 300bb–2(3)) is amended by adding at the end the following new sentence: ''In the case of an individual provided continuation coverage by reason of a qualifying event described in section 2203(6), any reference in subparagraph (A) of this paragraph to '102 percent of the applicable premium' is deemed a reference to '125 percent of the applicable premium for employed individuals (and their dependents, if applicable) for the coverage option referred to in paragraph (1)(B)'.''.

(e) NOTICE.—Section 2206(a) of such Act (42 U.S.C. 300bb–6(a)) is amended—

(1) in paragraph (4)(A), by striking ''or (4)'' and inserting ''(4), or (6)''; and

(2) by adding at the end the following:

''The notice under paragraph (4) in the case of a qualifying event described in section 2203(6) shall be provided at least 90 days before the date of the qualifying event.''.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section (other than subsection (e)(2)) shall apply to qualifying events occurring on or after July 12, 2000. In the case of a qualifying event occurring on or after such date and before the date of the enactment of this Act, such event shall be deemed (for purposes of such amendments) to have occurred on the date of the enactment of this Act.

(2) ADVANCE NOTICE OF TERMINATIONS AND REDUCTIONS.—The amendment made by subsection (e)(2) shall apply to qualifying events occurring after the date of the enactment of this Act, except that in no case shall notice be required under such amendment before such date.

CHAPTER 3—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986

SEC. 231. COBRA CONTINUATION BENEFITS FOR CERTAIN RETIRED WORKERS WHO LOSE RETIREE HEALTH COVERAGE.

(a) ESTABLISHMENT OF NEW QUALIFYING EVENT.—

(1) IN GENERAL.—Section 4980B(f)(3) of the Internal Revenue Code of 1986 is amended by inserting after subparagraph (F) the following new subparagraph:

''(G) The termination or substantial reduction in benefits (as defined in subsection (g)(6)) of group health plan coverage as a result of plan changes or termination in the case of a covered employee who is a qualified retiree.''.

(2) QUALIFIED RETIREE; QUALIFIED BENEFICIARY; AND SUBSTANTIAL REDUCTION DEFINED.—Section 4980B(g) of such Code is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by inserting ''except as otherwise provided in this paragraph,'' after ''means,''; and

(ii) by adding at the end the following new subparagraph:

''(E) SPECIAL RULE FOR QUALIFYING RETIREES AND DEPENDENTS.—In the case of a qualifying event described in subsection (f)(3)(G), the term 'qualified beneficiary' means a qualified retiree and any other individual who, on the day before such qualifying event, is a beneficiary under the plan on the basis of the individual's relationship to such qualified retiree.''; and

(B) by adding at the end the following new paragraphs:

''(5) QUALIFIED RETIREE.—The term 'qualified retiree' means, with respect to a qualifying event described in subsection (f)(3)(G), a covered employee who, at the time of the event—

''(A) has attained 55 years of age; and

''(B) was receiving group health coverage under the plan by reason of the retirement of the covered employee.

''(6) SUBSTANTIAL REDUCTION.—The term 'substantial reduction'—

''(A) means, as determined under regulations of the Secretary of Labor and with respect to a qualified beneficiary, a reduction in the average actuarial value of benefits under the plan (through reduction or elimination of benefits, an increase in premiums, deductibles, copayments, and coinsurance, or any combination thereof), since the date of commencement of coverage of the beneficiary by reason of the retirement of the covered employee (or, if later, July 12, 2000), in an amount equal to at least 50 percent of the total average actuarial value of the benefits under the plan as of such date (taking into account an appropriate adjustment to permit comparison of values over time); and

''(B) includes an increase in premiums required to an amount that exceeds the premium level described in the fourth sentence of subsection (f)(2)(C).''.

(b) DURATION OF COVERAGE THROUGH AGE 65.—Section 4980B(f)(2)(B)(i) of such Code is amended—

(1) in subclause (II), by inserting ''or (3)(G)'' after ''(3)(F)'';

(2) in subclause (IV), by striking ''or (3)(F)'' and inserting '', (3)(F), or (3)(G)'';

(3) by redesignating subclause (IV) as subclause (VI);

(4) by redesignating subclause (V) as subclause (IV) and by moving such clause to immediately follow subclause (III); and

(5) by inserting after such subclause (IV) the following new subclause:

''(V) SPECIAL RULE FOR CERTAIN BENEFICIARIES IN CASE OF TERMINATION OR SUBSTANTIAL REDUCTION OF RETIREE HEALTH COVERAGE.—In the case of a qualifying event described in paragraph (3)(G), in the case of a qualified beneficiary described in subsection (g)(1)(E) who is not the qualified retiree or spouse of such retiree, the later of—

''(a) the date that is 36 months after the earlier of the date the qualified retiree becomes entitled to benefits under title XVIII of the Social Security Act, or the date of the death of the qualified retiree; or

''(b) the date that is 36 months after the date of the qualifying event.''.

(c) TYPE OF COVERAGE IN CASE OF TERMINATION OR SUBSTANTIAL REDUCTION OF RETIREE HEALTH COVERAGE.—Section 4980B(f)(2)(A) of such Code is amended—

(1) by striking ''The coverage'' and inserting the following:

''(i) IN GENERAL.—Except as provided in clause (ii), the coverage''; and

(2) by adding at the end the following:

''(ii) CERTAIN RETIREES.—In the case of a qualifying event described in paragraph (3)(G), in applying the first sentence of clause (i) and the fourth sentence of subparagraph (C), the coverage offered that is the most prevalent coverage option (as determined under regulations of the Secretary of Labor) continued under the group health plan (or, if none, under the most prevalent other plan offered by the same plan sponsor) shall be treated as the coverage described in such sentence, or (at the option of the plan and qualified beneficiary) such other coverage option as may be offered and elected by the qualified beneficiary involved.''.

(d) INCREASED LEVEL OF PREMIUMS PERMITTED.—Section 4980B(f)(2)(C) of such Code is amended by adding at the end the following new sentence: ''In the case of an individual provided continuation coverage by reason of a qualifying event described in paragraph (3)(G), any reference in clause (i) of this subparagraph to '102 percent of the applicable premium' is deemed a reference to '125 percent of the applicable premium for employed individuals (and their dependents, if applicable) for the coverage option referred to in subparagraph (A)(ii)'.''.

(e) NOTICE.—Section 4980B(f)(6) of such Code is amended—

(1) in subparagraph (D)(i), by striking ''or (F)'' and inserting ''(F), or (G)''; and

(2) by adding at the end the following:

''The notice under subparagraph (D)(i) in the case of a qualifying event described in paragraph (3)(G) shall be provided at least 90 days before the date of the qualifying event.''.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section (other than subsection (e)(2)) shall apply to qualifying events occurring on or after July 12, 2000. In the case of a qualifying event occurring on or after such date and before the date of the enactment of this Act, such event shall be deemed (for purposes of such amendments) to have occurred on the date of the enactment of this Act.

(2) ADVANCE NOTICE OF TERMINATIONS AND REDUCTIONS.—The amendment made by subsection (e)(2) shall apply to qualifying events occurring after the date of the enactment of this Act, except that in no case shall notice be required under such amendment before such date.

HARKIN (AND OTHERS)

AMENDMENT NO. 3847

Mr. HARKIN (for himself, Mr. DASCHLE, Mrs. FEINSTEIN, Mr. KENNEDY, and Mr. REID) proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end of the bill, add the following:

TITLE ____—PAYCHECK FAIRNESS

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Paycheck Fairness Act''.

SEC. ___02. FINDINGS.

Congress makes the following findings:

(1) Women have entered the workforce in record numbers.

(2) Even in the 1990's, women earn significantly lower pay than men for work on jobs that require equal skill, effort, and responsibility and that are performed under similar working conditions. These pay disparities exist in both the private and governmental sectors. In many instances, the pay disparities can only be due to continued intentional discrimination or the lingering effects of past discrimination.

(3) The existence of such pay disparities—

(A) depresses the wages of working families who rely on the wages of all members of the family to make ends meet;

(B) prevents the optimum utilization of available labor resources;

(C) has been spread and perpetuated, through commerce and the channels and instrumentalities of commerce, among the workers of the several States;

(D) burdens commerce and the free flow of goods in commerce;

(E) constitutes an unfair method of competition in commerce;

(F) leads to labor disputes burdening and obstructing commerce and the free flow of goods in commerce;

(G) interferes with the orderly and fair marketing of goods in commerce; and

(H) in many instances, may deprive workers of equal protection on the basis of sex in violation of the 5th and 14th amendments.

(4)(A) Artificial barriers to the elimination of discrimination in the payment of wages on the basis of sex continue to exist more than 3 decades after the enactment of the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) and the Civil Rights Act of 1964 (42 U.S.C. 2000a et seq.).

(B) Elimination of such barriers would have positive effects, including—

(i) providing a solution to problems in the economy created by unfair pay disparities;

(ii) substantially reducing the number of working women earning unfairly low wages, thereby reducing the dependence on public assistance; and

(iii) promoting stable families by enabling all family members to earn a fair rate of pay;

(iv) remedying the effects of past discrimination on the basis of sex and ensuring that in the future workers are afforded equal protection on the basis of sex; and

(v) ensuring equal protection pursuant to Congress' power to enforce the 5th and 14th amendments.

(5) With increased information about the provisions added by the Equal Pay Act of 1963 and wage data, along with more effective remedies, women will be better able to recognize and enforce their rights to equal pay for work on jobs that require equal skill, effort, and responsibility and that are performed under similar working conditions.

(6) Certain employers have already made great strides in eradicating unfair pay disparities in the workplace and their achievements should be recognized.

SEC. ___03. ENHANCED ENFORCEMENT OF EQUAL PAY REQUIREMENTS.

(a) REQUIRED DEMONSTRATION FOR AFFIRMATIVE DEFENSE.—Section 6(d)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(d)(1)) is amended by striking ''(iv) a differential'' and all that follows through the period and inserting the following: ''(iv) a differential based on a bona fide factor other than sex, such as education, training or experience, except that this clause shall apply only if—

''(I) the employer demonstrates that—

''(aa) such factor—

''(AA) is job-related with respect to the position in question; or

''(BB) furthers a legitimate business purpose, except that this item shall not apply where the employee demonstrates that an alternative employment practice exists that would serve the same business purpose without producing such differential and that the employer has refused to adopt such alternative practice; and

''(bb) such factor was actually applied and used reasonably in light of the asserted justification; and

''(II) upon the employer succeeding under subclause I, the employee fails to demonstrate that the differential produced by the reliance of the employer on such factor is itself the result of discrimination on the basis of sex by the employer.

''An employer that is not otherwise in compliance with this paragraph may not reduce the wages of any employee in order to achieve such compliance.''.

(b) APPLICATION OF PROVISIONS.—Section 6(d)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(d)(1)) is amended by adding at the end the following: ''The provisions of this subsection shall apply to applicants for employment if such applicants, upon employment by the employer, would be subject to any provisions of this section.''.

(c) ELIMINATION OF ESTABLISHMENT REQUIREMENT.—Section 6(d) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(d)) is amended—

(1) by striking '', within any establishment in which such employees are employed,''; and

(2) by striking ''in such establishment'' each place it appears.

(d) NONRETALIATION PROVISION.—Section 15(a)(3) of the Fair Labor Standards Act of 1938 (29 U.S.C. 215(a)(3)) is amended—

(1) by striking ''or has'' each place it appears and inserting ''has''; and

(2) by inserting before the semicolon the following: '', or has inquired about, discussed, or otherwise disclosed the wages of the employee or another employee, or because the employee (or applicant) has made a charge, testified, assisted, or participated in any manner in an investigation, proceeding, hearing, or action under section 6(d)''.

(e) ENHANCED PENALTIES.—Section 16(b) of the Fair Labor Standards Act of 1938 (29 U.S.C. 216(b)) is amended—

(1) by inserting after the first sentence the following: ''Any employer who violates section 6(d) shall additionally be liable for such compensatory or punitive damages as may be appropriate, except that the United States shall not be liable for punitive damages.'';

(2) in the sentence beginning ''An action to'', by striking ''either of the preceding sentences'' and inserting ''any of the preceding sentences of this subsection'';

(3) in the sentence beginning ''No employees shall'', by striking ''No employees'' and inserting ''Except with respect to class actions brought to enforce section 6(d), no employee'';

(4) by inserting after the sentence referred to in paragraph (3), the following: ''Notwithstanding any other provision of Federal law, any action brought to enforce section 6(d) may be maintained as a class action as provided by the Federal Rules of Civil Procedure.''; and

(5) in the sentence beginning ''The court in''—

(A) by striking ''in such action'' and inserting ''in any action brought to recover the liability prescribed in any of the preceding sentences of this subsection''; and

(B) by inserting before the period the following: '', including expert fees''.

(f) ACTION BY SECRETARY.—Section 16(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 216(c)) is amended—

(1) in the first sentence—

(A) by inserting ''or, in the case of a violation of section 6(d), additional compensatory or punitive damages,'' before ''and the agreement''; and

(B) by inserting before the period the following: '', or such compensatory or punitive damages, as appropriate'';

(2) in the second sentence, by inserting before the period the following: ''and, in the case of a violation of section 6(d), additional compensatory or punitive damages'';

(3) in the third sentence, by striking ''the first sentence'' and inserting ''the first or second sentence''; and

(4) in the last sentence—

(A) by striking ''commenced in the case'' and inserting ''commenced—

''(1) in the case'';

(B) by striking the period and inserting ''; or''; and

(C) by adding at the end the following:

''(2) in the case of a class action brought to enforce section 6(d), on the date on which the individual becomes a party plaintiff to the class action''.

SEC. ___04. TRAINING.

The Equal Employment Opportunity Commission and the Office of Federal Contract Compliance Programs, subject to the availability of funds appropriated under section ___09(b), shall provide training to Commission employees and affected individuals and entities on matters involving discrimination in the payment of wages.

SEC. ___05. RESEARCH, EDUCATION, AND OUTREACH.

The Secretary of Labor shall conduct studies and provide information to employers, labor organizations, and the general public concerning the means available to eliminate pay disparities between men and women, including—

(1) conducting and promoting research to develop the means to correct expeditiously the conditions leading to the pay disparities;

(2) publishing and otherwise making available to employers, labor organizations, professional associations, educational institutions, the media, and the general public the findings resulting from studies and other materials, relating to eliminating the pay disparities;

(3) sponsoring and assisting State and community informational and educational programs;

(4) providing information to employers, labor organizations, professional associations, and other interested persons on the means of eliminating the pay disparities;

(5) recognizing and promoting the achievements of employers, labor organizations, and professional associations that have worked to eliminate the pay disparities; and

(6) convening a national summit to discuss, and consider approaches for rectifying, the pay disparities.

SEC. ___06. TECHNICAL ASSISTANCE AND EMPLOYER RECOGNITION PROGRAM.

(a) GUIDELINES.—

(1) IN GENERAL.—The Secretary of Labor shall develop guidelines to enable employers to evaluate job categories based on objective criteria such as educational requirements, skill requirements, independence, working conditions, and responsibility, including decisionmaking responsibility and de facto supervisory responsibility.

(2) USE.—The guidelines developed under paragraph (1) shall be designed to enable employers voluntarily to compare wages paid for different jobs to determine if the pay scales involved adequately and fairly reflect the educational requirements, skill requirements, independence, working conditions, and responsibility for each such job with the goal of eliminating unfair pay disparities between occupations traditionally dominated by men or women.

(3) PUBLICATION.—The guidelines shall be developed under paragraph (1) and published in the Federal Register not later than 180 days after the date of enactment of this Act.

(b) EMPLOYER RECOGNITION.—

(1) PURPOSE.—It is the purpose of this subsection to emphasize the importance of, encourage the improvement of, and recognize the excellence of employer efforts to pay wages to women that reflect the real value of the contributions of such women to the workplace.

(2) IN GENERAL.—To carry out the purpose of this subsection, the Secretary of Labor shall establish a program under which the Secretary shall provide for the recognition of employers who, pursuant to a voluntary job evaluation conducted by the employer, adjust their wage scales (such adjustments shall not include the lowering of wages paid to men) using the guidelines developed under subsection (a) to ensure that women are paid fairly in comparison to men.

(3) TECHNICAL ASSISTANCE.—The Secretary of Labor may provide technical assistance to assist an employer in carrying out an evaluation under paragraph (2).

(c) REGULATIONS.—The Secretary of Labor shall promulgate such rules and regulations as may be necessary to carry out this section.

SEC. ___07. ESTABLISHMENT OF THE NATIONAL AWARD FOR PAY EQUITY IN THE WORKPLACE.

(a) IN GENERAL.—There is established the Robert Reich National Award for Pay Equity in the Workplace, which shall be evidenced by a medal bearing the inscription ''Robert Reich National Award for Pay Equity in the Workplace''. The medal shall be of such design and materials, and bear such additional inscriptions, as the Secretary of Labor may prescribe.

(b) CRITERIA FOR QUALIFICATION.—To qualify to receive an award under this section a business shall—

(1) submit a written application to the Secretary of Labor, at such time, in such manner, and containing such information as the Secretary may require, including at a minimum information that demonstrates that the business has made substantial effort to eliminate pay disparities between men and women, and deserves special recognition as a consequence; and

(2) meet such additional requirements and specifications as the Secretary of Labor determines to be appropriate.

(c) MAKING AND PRESENTATION OF AWARD.—

(1) AWARD.—After receiving recommendations from the Secretary of Labor, the President or the designated representative of the President shall annually present the award described in subsection (a) to businesses that meet the qualifications described in subsection (b).

(2) PRESENTATION.—The President or the designated representative of the President shall present the award under this section with such ceremonies as the President or the designated representative of the President may determine to be appropriate.

(d) BUSINESS.—In this section, the term ''business'' includes—

(1)(A) a corporation, including a nonprofit corporation;

(B) a partnership;

(C) a professional association;

(D) a labor organization; and

(E) a business entity similar to an entity described in any of subparagraphs (A) through (D);

(2) an entity carrying out an education referral program, a training program, such as an apprenticeship or management training program, or a similar program; and

(3) an entity carrying out a joint program, formed by a combination of any entities described in paragraph (1) or (2).

SEC. ___08. COLLECTION OF PAY INFORMATION BY THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION.

Section 709 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–8) is amended by adding at the end the following:

''(f)(1) Not later than 18 months after the date of enactment of this subsection, the Commission shall—

''(A) complete a survey of the data that is currently available to the Federal Government relating to employee pay information for use in the enforcement of Federal laws prohibiting pay discrimination and, in consultation with other relevant Federal agencies, identify additional data collections that will enhance the enforcement of such laws; and

''(B) based on the results of the survey and consultations under subparagraph (A), issue regulations to provide for the collection of pay information data from employers as described by the sex, race, and national origin of employees.

''(2) In implementing paragraph (1), the Commission shall have as its primary consideration the most effective and efficient means for enhancing the enforcement of Federal laws prohibiting pay discrimination. For this purpose, the Commission shall consider factors including the imposition of burdens on employers, the frequency of required reports (including which employers should be required to prepare reports), appropriate protections for maintaining data confidentiality, and the most effective format for the data collection reports.''.

SEC. ___09. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this title.

KENNEDY (AND ROCKEFELLER) AMENDMENT NO. 3848

Mr. KENNEDY (for himself and Mr. ROCKEFELLER) proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end of the bill, add the following:

DIVISION ___—FAMILYCARE COVERAGE OF PARENTS UNDER THE MEDICAID PROGRAM AND SCHIP

SEC. 1. FAMILYCARE COVERAGE OF PARENTS UNDER THE MEDICAID PROGRAM AND SCHIP.

(a) INCENTIVES TO IMPLEMENT FAMILYCARE COVERAGE.—

(1) UNDER MEDICAID.—

(A) ESTABLISHMENT OF NEW OPTIONAL ELIGIBILITY CATEGORY.—Section 1902(a)(10)(A)(ii) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii)) is amended—

(i) by striking ''or'' at the end of subclause (XVI);

(ii) by adding ''or'' at the end of subclause (XVII); and

(iii) by adding at the end the following new subclause:

''(XVIII) who are parents described in subsection (k)(1), but only if the State meets the conditions described in subsection (k)(2);''.

(B) CONDITIONS FOR COVERAGE.—Section 1902 of such Act is further amended by inserting after subsection (j) the following new subsection:

''(k)(1)(A) Parents described in this paragraph are the parents of an individual who is under 19 years of age (or such higher age as the State may have elected under section 1902(l)(1)(D)) and who is eligible for medical assistance under subsection (a)(10)(A), if—

''(i) such parents are not otherwise eligible for such assistance under such subsection; and

''(ii) the income of a family that includes such parents does not exceed an income level specified by the State consistent with paragraph (2)(B).

''(B) In this subsection, the term 'parent' has the meaning given the term 'caretaker' for purposes of carrying out section 1931.

''(2) The conditions for a State to provide medical assistance under subsection (a)(10)(A)(ii)(XVIII) are as follows:

''(A) The State has a State child health plan under title XXI which (whether implemented under such title or under this title)—

''(i) has an income standard that is at least 200 percent of the poverty line for children; and

''(ii) does not limit the acceptance of applications, does not use a waiting list for children who meet eligibility standards to qualify for assistance, and provides benefits to all children in the State who apply for and meet eligibility standards.

''(B) The income level specified under paragraph (1)(A)(ii) for parents in a family may not be less than the income level provided under section 1931 and may not exceed the highest income level applicable to a child in the family under this title. A State may not cover such parents with higher family income without covering parents with a lower family income.

''(3) In the case of a parent described in paragraph (1) who is also the parent of a child who is eligible for child health assistance under title XXI, the State may elect (on a uniform basis) to cover all such parents under section 2111 or under subsection (a)(10)(A).''.

(C) ENHANCED MATCHING FUNDS AVAILABLE.—Section 1905 of such Act (42 U.S.C. 1396d) is amended—

(i) in the fourth sentence of subsection (b), by striking ''or subsection (u)(3)'' and inserting '', (u)(3), or (u)(4)''; and

(ii) in subsection (u)—

(I) by redesignating paragraph (4) as paragraph (5), and

(II) by inserting after paragraph (3) the following new paragraph:

''(4) For purposes of subsection (b), the expenditures described in this paragraph are expenditures for medical assistance made available under section 1902(a)(10)(A)(ii)(XVIII) for parents described in section 1902(k)(1) in a family the income of which exceeds the income level applicable under section 1931 to a family of the size involved as of January 1, 2000.''.

(2) UNDER SCHIP.—

(A) FAMILYCARE COVERAGE.—Title XXI of such Act is amended by adding at the end the following new section:

''SEC. 2111. OPTIONAL FAMILYCARE COVERAGE OF PARENTS OF TARGETED LOW-INCOME CHILDREN.

''(a) OPTIONAL COVERAGE.—Notwithstanding any other provision of this title, a State child health plan may provide for coverage, through an amendment to its State child health plan under section 2102, of FamilyCare assistance for targeted low-income parents in accordance with this section, but only if the State meets the conditions described in section 1902(k)(2).

''(b) DEFINITIONS.—For purposes of this section:

''(1) FAMILYCARE ASSISTANCE.—The term 'FamilyCare assistance' has the meaning given the term child health assistance in section 2110(a) as if any reference to targeted low-income children were a reference to targeted low-income parents.

''(2) TARGETED LOW-INCOME PARENT.—The term 'targeted low-income parent' has the meaning given the term targeted low-income child in section 2110(b) as if any reference to a child were deemed a reference to a parent (as defined in paragraph (3)) of the child; except that in applying such section—

''(A) there shall be substituted for the income limit described in paragraph (1)(B)(ii)(I) the applicable income limit in effect for a targeted low-income child;

''(B) in paragraph (1)(B)(ii)(II), January 1, 2000, shall be substituted for June 1, 1997; and

''(C) in paragraph (3), January 1, 2000, shall be substituted for July 1, 1997.

''(3) PARENT.—The term 'parent' has the meaning given the term 'caretaker' for purposes of carrying out section 1931.

''(c) REFERENCES TO TERMS AND SPECIAL RULES.—In the case of, and with respect to, a State providing for coverage of FamilyCare assistance to targeted low-income parents under subsection (a), the following special rules apply:

''(1) Any reference in this title (other than subsection (b)) to a targeted low-income child is deemed to include a reference to a targeted low-income parent.

''(2) Any such reference to child health assistance with respect to such parents is deemed a reference to FamilyCare assistance.

''(3) In applying section 2103(e)(3)(B) in the case of a family provided coverage under this section, the limitation on total annual aggregate cost-sharing shall be applied to the entire family.

''(4) In applying section 2110(b)(4), any reference to 'section 1902(l)(2) or 1905(n)(2) (as selected by a State)' is deemed a reference to the income level applicable to parents under section 1931.''.

(B) ADDITION OF FAMILYCARE ALLOTMENT.—

(i) IN GENERAL.—Section 2104 of such Act (42 U.S.C. 1397dd) is amended—

(I) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively, and by striking ''subsection (e)'' and ''subsection (f)'' each place it appears in such subsections and inserting ''subsection (f)'' and ''subsection (g)'', respectively; and

(II) by inserting after subsection (d) the following new subsection:

''(d) ADDITIONAL FAMILYCARE ALLOTMENTS.—

''(1) APPROPRIATION; TOTAL ALLOTMENT.—For the purpose of providing FamilyCare allotments to States under this subsection, there is appropriated, out of any money in the Treasury not otherwise appropriated—

''(A) for fiscal year 2002, $2,000,000,000;
''(B) for fiscal year 2003, $2,000,000,000;
''(C) for fiscal year 2004, $3,000,000,000;
''(D) for fiscal year 2005, $3,000,000,000;
''(E) for fiscal year 2006, $6,000,000,000;
''(F) for fiscal year 2007, $7,000,000,000;
''(G) for fiscal year 2008, $8,000,000,000;
''(H) for fiscal year 2009, $9,000,000,000;
''(I) for fiscal year 2010, $10,000,000,000; and
''(J) for fiscal year 2011 and each fiscal year thereafter, the amount of the allotment provided under this paragraph for the preceding fiscal year increased by the same percentage as the percentage increase in the medical care expenditure category of the Consumer Price Index for All Urban Consumers (United States city average) for such preceding fiscal year.''.

''(2) STATE ALLOTMENTS.—

''(A) IN GENERAL.—In addition to the allotments otherwise provided under subsections (b) and (c), subject to paragraph (4), of the amount available for the FamilyCare allotment under paragraph (1) for a fiscal year, reduced by the amount of allotments made under paragraph (3) for the fiscal year, the Secretary shall allot to each State (other than a State described in such paragraph) with a State child health plan approved under this title and which has elected to provide coverage under this section the same proportion as the proportion of the State's allotment under section 2104(b) (determined without regard to section 2104(f)) to the total amount of the allotments under such section.

''(B) UNUSED ALLOTMENTS.—Any unused allotments under subparagraph (A) shall be subject to redistribution in the same manner as that provided under section 2104(f)).

''(3) ALLOTMENTS TO TERRITORIES.—Of the amount available for the FamilyCare allotment under paragraph (1) for a fiscal year, subject to paragraph (4), the Secretary shall consult with members of Congress, representatives of commonwealths and territories, experts, and others, to determine appropriate allotments for each of the commonwealths and territories described in section 2104(c)(3) with a State child health plan approved under this title that has elected to provide coverage under this section.

''(4) CERTAIN MEDICAID EXPENDITURES COUNTED AGAINST INDIVIDUAL STATE FAMILYCARE ALLOTMENTS.—The amount of the allotment otherwise provided to a State under paragraph (2) or (3) for a fiscal year (before fiscal year 2006) shall be reduced by the amount (if any) of the payments made to that State under section 1903(a) for expenditures claimed by the State during such fiscal year that is attributable to the provision of medical assistance to a parent described in section 1902(k)(1) for which payment is made under section 1903(a)(1) on the basis of an enhanced FMAP under the fourth sentence of section 1905(b).''.

(ii) CONFORMING AMENDMENTS.—Such section is further amended—

(I) in subsection (a), by inserting ''subject to subsection (e),'' after ''under this section,''; and

(II) in subsection (b)(1), by striking ''subsection (d)'' and inserting ''subsections (d) and (e)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection apply to items and services furnished on or after October 1, 2000.

(b) RULES FOR IMPLEMENTATION BEGINNING WITH FISCAL YEAR 2006.—

(1) FAIL-SAFE ELIGIBILITY UNDER MEDICAID.—Section 1902(a)(10)(A)(i) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(i)) is amended—

(A) by striking ''or'' at the end of subclause (VI);

(B) by adding ''or'' at the end of subclause (VII); and

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

''(VIII) an individual who would be a parent described in subsection (k)(1) if the income level specified in subsection (k)(2)(B) were equal to at least 100 percent of the poverty line referred to in such subsection,''.

(2) EXPANSION OF AVAILABILITY OF ENHANCED MATCH UNDER MEDICAID.—Paragraph (4) of section 1905(u) of such Act (42 U.S.C. 1396d(u)), as inserted by subsection (a)(1)(C)(ii)(II), is amended—

(A) by inserting before the period at the end the following: ''or in a family the income of which exceeds 100 percent of the poverty line applicable to a family of the size involved or made available under section 1902(a)(10)(A)(i)(VIII)''; and

(B) by designating the matter beginning ''made available'' as subparagraph (A) with an appropriate indentation, by striking the period at the end and inserting ''; and'', and by adding at the end the following new subparagraph:

''(B) made available to any child who is eligible for assistance under section 1902(a)(10)(A) and the income of whose family exceeds the minimum income level required under subsection 1902(l)(2) for a child of the age involved.''.

(3) ELIMINATION OF SCHIP ALLOTMENT OFFSET FOR FAMILYCARE ASSISTANCE PROVIDED TO PARENTS BELOW POVERTY.—Section 2104(d) of such Act (42 U.S.C. 1397dd(d)) is amended by inserting before the period at the end the following: '', except that no such reduction shall be made with respect to medical assistance provided under section 1902(a)(10)(A)(ii)(XVIII) or 1902(a)(10)(A)(i)(VIII) with respect to a parent whose family income does not exceed 100 percent of the poverty line''.

(4) EFFECTIVE DATE.—The amendments made by this subsection apply as of October 1, 2005, to fiscal years beginning on or after such date and to expenditures under the State plan on and after such date.

(c) MAKING SCHIP BASE ALLOTMENTS PERMANENT.—Section 2104(a) of such Act (42 U.S.C. 1397dd(a)) is amended—

(1) by striking ''and'' at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting ''; and''; and

(3) by adding at the end the following new paragraph:

''(11) for fiscal year 2008 and each fiscal year thereafter, the amount of the allotment provided under this subsection for the preceding fiscal year increased by the same percentage as the percentage increase in the medical care expenditure category of the Consumer Price Index for All Urban Consumers (United States city average) for such preceding fiscal year.''.

(d) CONFORMING AMENDMENTS.—

(1) ELIGIBILITY CATEGORIES.— Section 1905(a) of such Act (42 U.S.C. 1396d(a)) is amended, in the matter before paragraph (1)—

(A) by striking ''or'' at the end of clause (xi);

(B) by inserting ''or'' at the end of clause (xii); and

(C) by inserting after clause (xii) the following new clause:

''(xiii) who are parents described (or treated as if described) in section 1902(k)(1),''.

(2) INCOME LIMITATIONS.—Section 1903(f)(4) of such Act (42 U.S.C. 1396b(f)(4)) is amended—

(A) by inserting ''1902(a)(10)(A)(i)(VIII),'' after ''1902(a)(10)(A)(i)(VII),''; and

(B) by inserting ''1902(a)(10)(A)(ii)(XVII), 1902(a)(10)(A)(ii)(XVIII),'' before ''or 1905(p)(1)''.

SEC. 2. AUTOMATIC ENROLLMENT OF CHILDREN BORN TO SCHIP PARENTS.

Section 2102(b)(1) of the Social Security Act (42 U.S.C. 1397bb(b)(1)) is amended by adding at the end the following new subparagraph:

''(C) AUTOMATIC ELIGIBILITY OF CHILDREN BORN TO A PARENT BEING PROVIDED FAMILYCARE.—Such eligibility standards shall provide for automatic coverage of a child born to a parent who is provided familycare assistance under section 2111 in the same manner as medical assistance would be provided under section 1902(e)(4) to a child described in such section.''.

SEC. 3. OPTIONAL COVERAGE OF CHILDREN THROUGH AGE 20 UNDER THE MEDICAID PROGRAM AND SCHIP.

(a) MEDICAID.—

(1) IN GENERAL.—Section 1902(l)(1)(D) of the Social Security Act (42 U.S.C. 1396a(l)(1)(D)) is amended by inserting ''(or, at the election of a State, 20 or 21 years of age)'' after ''19 years of age''.

(2) CONFORMING AMENDMENTS.—

(A) Section 1902(e)(3)(A) of such Act (42 U.S.C. 1396a(e)(3)(A)) is amended by inserting ''(or 1 year less than the age the State has elected under subsection (l)(1)(D))'' after ''18 years of age''.

(B) Section 1902(e)(12) of such Act (42 U.S.C. 1396a(e)(12)) is amended by inserting ''or such higher age as the State has elected under subsection (l)(1)(D)'' after ''19 years of age''.

(C) Section 1902(l)(5) of such Act (42 U.S.C. 1396a(l)(5)), as added by section 4(a), is amended by inserting ''(or such higher age as the State has elected under paragraph (1)(D))'' after ''19 years of age''.

(D) Section 1920A(b)(1) of such Act (42 U.S.C. 1396r–1a(b)(1)) is amended by inserting ''or such higher age as the State has elected under section 1902(l)(1)(D)'' after ''19 years of age''.

(E) Section 1928(h)(1) of such Act (42 U.S.C. 1396s(h)(1)) is amended by inserting ''or 1 year less than the age the State has elected under section 1902(l)(1)(D)'' before the period at the end.

(F) Section 1932(a)(2)(A) of such Act (42 U.S.C. 1396u–2(a)(2)(A)) is amended by inserting ''(or such higher age as the State has elected under section 1902(l)(1)(D))'' after ''19 years of age''.

(b) SCHIP.—Section 2110(c)(1) of such Act (42 U.S.C. 1397jj(c)(1)) is amended by inserting ''(or such higher age as the State has elected under section 1902(l)(1)(D))''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2000, and apply to medical assistance and child health assistance provided on or after such date.

SEC. 4. APPLICATION OF SIMPLIFIED SCHIP PROCEDURES UNDER THE MEDICAID PROGRAM.

(a) IN GENERAL.—Section 1902(l) of the Social Security Act (42 U.S.C. 1396a(l)) is amended—

(1) in paragraph (3), by inserting ''subject to paragraph (5)'', after ''Notwithstanding subsection (a)(17),''; and

(2) by adding at the end the following new paragraph:

''(5) With respect to determining the eligibility of individuals under 19 years of age for medical assistance under subsection (a)(10)(A), notwithstanding any other provision of this title, if the State has established a State child health plan under title XXI—

''(A) the State may not apply a resource standard if the State does not apply such a standard under such child health plan;

''(B) the State shall use same simplified eligibility form (including, if applicable, permitting application other than in person) as the State uses under such State child health plan; and

''(C) the State shall provide for redeterminations of eligibility using the same forms and frequency as the State uses for redeterminations of eligibility under such State child health plan.''.

(b) USE OF UNIFORM APPLICATION AND COORDINATED ENROLLMENT PROCESS.—

(1) SCHIP PROGRAM.—Section 2102 (42 U.S.C. 1397bb) is amended by adding at the end the following new subsection:

''(d) DEVELOPMENT AND USE OF UNIFORM APPLICATION FORMS AND COORDINATED ENROLLMENT PROCESS.—A State child health plan shall provide, by not later than the first day of the first month that begins more than 6 months after the date of the enactment of this subsection, for—

''(1) the development and use of a uniform, simplified application form which is used both for purposes of establishing eligibility for benefits under this title and also under title XIX; and

''(2) an enrollment process that is coordinated with that under title XIX so that a family need only interact with a single agency in order to determine whether a child is eligible for benefits under this title or title XIX.''.

(2) MEDICAID CONFORMING AMENDMENT.—

(A) IN GENERAL.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(i) in paragraph (64), by striking ''and'' at the end;

(ii) by striking the period at the end of paragraph (65) and inserting ''; and'', and

(iii) by inserting after paragraph (65) the following new paragraph:

''(66) provide, by not later than the first day of the first month that begins more than 6 months after the date of the enactment of this paragraph, in the case of a State with a State child health plan under title XXI for—

''(A) the development and use of a uniform, simplified application form which is used both for purposes of establishing eligibility for benefits under this title and also under title XXI; and

''(B) establishment and operation of an enrollment process that is coordinated with that under title XXI so that a family need only interact with a single agency in order to determine whether a child is eligible for benefits under this title or title XXI.''.

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) apply to calendar quarters beginning more than 6 months after the date of the enactment of this Act.

(b) ADDITIONAL ENTITIES QUALIFIED TO DETERMINE MEDICAID PRESUMPTIVE ELIGIBILITY FOR LOW-INCOME CHILDREN.—

(1) IN GENERAL.—Section 1920A(b)(3)(A)(i) of such Act (42 U.S.C. 1396r–1a(b)(3)(A)(i)) is amended—

(A) by striking ''or (II)'' and inserting '', (II)''; and

(B) by inserting ''eligibility of a child for medical assistance under the State plan under this title, or eligibility of a child for child health assistance under the program funded under title XXI, (III) is an elementary school or secondary school, as such terms are defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), an elementary or secondary school operated or supported by the Bureau of Indian Affairs, a State child support enforcement agency, a child care resource and referral agency, an organization that is providing emergency food and shelter under a grant under the Stewart B. McKinney Homeless Assistance Act, or a State office or entity involved in enrollment in the program under this title, under part A of title IV, under title XXI, or that determines eligibility for any assistance or benefits provided under any program of public or assisted housing that receives Federal funds, including the program under section 8 or any other section of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), or (IV) any other entity the State so deems, as approved by the Secretary'' before the semicolon.

(2) TECHNICAL AMENDMENTS.—Section 1920A of such Act (42 U.S.C. 1396r-1a) is amended—

(A) in subsection (b)(3)(A)(ii), by striking ''paragraph (1)(A)'' and inserting ''paragraph (2)(A)''; and

(B) in subsection (c)(2), in the matter preceding subparagraph (A), by striking ''subsection (b)(1)(A)'' and inserting ''subsection (b)(2)(A)''.

(c) ELIMINATION OF FUNDING OFFSET FOR EXERCISE OF PRESUMPTIVE ELIGIBILITY OPTION.—

(1) IN GENERAL.—Section 2104(d) of such Act (42 U.S.C. 1397dd(d)) is amended by striking ''the sum of—'' and all that follows through ''(2)'' and conforming the margins of all that remains accordingly.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) is effective as if included in the enactment of the Balanced Budget Act of 1997.

(d) USE OF SCHOOL LUNCH INFORMATION IN ELIGIBILITY DETERMINATIONS.—Section 9(b)(2)(C)(iii) of the National School Lunch Act (42 U.S.C. 1758(b)(2)(C)(iii)) is amended—

(1) in subclause (II), by striking ''and'' at the end;

(2) in subclause (III), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(IV) the agency administering a State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) or a State child health plan under title XXI of that Act (42 U.S.C. 1397aa et seq.) solely for the purpose of identifying children eligible for benefits under, and enrolling children in, any such plan, except that this subclause shall apply with respect to the agency from which the information would be obtained only if the State and the agency so elect.''.

(e) AUTOMATIC REASSESSMENT OF ELIGIBILITY FOR SCHIP AND MEDICAID BENEFITS FOR CHILDREN LOSING MEDICAID OR SCHIP ELIGIBILITY.—

(1) LOSS OF MEDICAID ELIGIBILITY.—Section 1902(a)(66) (42 U.S.C. 1396a(a)(66)), as inserted by subsection (b)(2), is amended—

(A) by striking ''and'' at the end of subparagraph (B),

(B) by striking the period at the end of subparagraph (C) and inserting ''; and''; and

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

''(D) the automatic assessment, in the case of a child who loses eligibility for medical assistance under this title on the basis of changes in income, assets, or age, of whether the child is eligible for benefits under title XXI and, if so eligible, automatic enrollment under such title without the need for a new application.''.

(2) LOSS OF SCHIP ELIGIBILITY.—Section 2102(b)(3) (42 U.S.C. 1397bb(b)(3)) is amended by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively, and by inserting after subparagraph (C) the following new subparagraph:

''(D) that there is an automatic assessment, in the case of a child who loses eligibility for child health assistance under this title on the basis of changes in income, assets, or age, of whether the child is eligible for medical assistance under title XIX and, if so eligible, there is automatic enrollment under such title without the need for a new application;''.

(3) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) apply to children who lose eligibility under the medicaid program under title XIX, or under a State child health insurance plan under title XXI, respectively, of the Social Security Act on or after the date that is 30 days after the date of enactment of this Act.

SEC. 5. MAKING WELFARE-TO-WORK TRANSITION UNDER THE MEDICAID PROGRAM PERMANENT.

Subsection (f) of section 1925 of the Social Security Act (42 U.S.C. 1396r–6) is repealed.

SEC. 6. OPTIONAL COVERAGE OF LEGAL IMMIGRANTS UNDER THE MEDICAID PROGRAM AND SCHIP.

(a) MEDICAID PROGRAM.—Section 1903(v) of the Social Security Act (42 U.S.C. 1396b(v)) is amended—

(1) in paragraph (1), by striking ''paragraph (2)'' and inserting ''paragraphs (2) and (4)''; and

(2) by adding at the end the following new paragraph:

''(4)(A) A State may elect (in a plan amendment under this title and notwithstanding any provision of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to the contrary) to waive the application of sections 401(a), 402(b), 403, and 421 of such Act with respect to eligibility for medical assistance under this title of aliens who are lawfully present in the United States (as defined by the Secretary and including battered aliens described in section 431(c) of such Act), within any or all (or any combination) of eligibility categories, other than the category of aliens described in subparagraph (C).

''(B) For purposes of applying section 213A of the Immigration and Nationality Act, the term 'means-tested public benefits' does not include medical assistance provided to a category of aliens pursuant to a State election and waiver described in subparagraph (A).

''(C) The category of aliens described in this subparagraph is disabled or blind aliens who became disabled or blind before the date of entry into the United States.

''(D) If a State makes an election and waiver under subparagraph (A) with respect to the category of children, the State is deemed to have made such an election and waiver with respect to such category for purposes of its State child health plan under title XXI.''.

(b) SCHIP.—Section 2107(e)(1) of such Act (42 U.S.C. 1397gg(e)(1)) is amended by adding at the end the following new subparagraph:

''(D) Section 1903(v)(4)(D) (relating to optional coverage of categories of permanent resident alien children).''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2000, and apply to medical assistance and child health assistance furnished on or after such date.

SEC. 7. FUNDING.

Notwithstanding any other provision of law, the Federal outlays necessary to carry out this division and the amendments made by this division to titles XIX and XXI of the Social Security Act (42 U.S.C. 1396 et seq,; 1397aa et seq.) shall not cause an on-budget deficit.

BROWNBACK AMENDMENT NO. 3849

Mr. BROWNBACK proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end of the bill, add the following:

TITLE VI—TAX RELIEF FOR FARMERS

SEC. 601. FARM, FISHING, AND RANCH RISK MANAGEMENT ACCOUNTS.

(a) IN GENERAL.—Subpart C of part II of subchapter E of chapter 1 (relating to taxable year for which deductions taken) is amended by inserting after section 468B the following:

''SEC. 468C. FARM, FISHING, AND RANCH RISK MANAGEMENT ACCOUNTS.

''(a) DEDUCTION ALLOWED.—In the case of an individual engaged in an eligible farming

business or commercial fishing, there shall be allowed as a deduction for any taxable year the amount paid in cash by the taxpayer during the taxable year to a Farm, Fishing, and Ranch Risk Management Account (hereinafter referred to as the 'FFARRM Account').

''(b) LIMITATION.—

''(1) CONTRIBUTIONS.—The amount which a taxpayer may pay into the FFARRM Account for any taxable year shall not exceed 20 percent of so much of the taxable income of the taxpayer (determined without regard to this section) which is attributable (determined in the manner applicable under section 1301) to any eligible farming business or commercial fishing.

''(2) DISTRIBUTIONS.—Distributions from a FFARRM Account may not be used to purchase, lease, or finance any new fishing vessel, add capacity to any fishery, or otherwise contribute to the overcapitalization of any fishery. The Secretary of Commerce shall implement regulations to enforce this paragraph.

''(c) ELIGIBLE BUSINESSES.—For purposes of this section—

''(1) ELIGIBLE FARMING BUSINESS.—The term 'eligible farming business' means any farming business (as defined in section 263A(e)(4)) which is not a passive activity (within the meaning of section 469(c)) of the taxpayer.

''(2) COMMERCIAL FISHING.—The term 'commercial fishing' has the meaning given such term by section (3) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802) but only if such fishing is not a passive activity (within the meaning of section 469(c)) of the taxpayer.

''(d) FFARRM ACCOUNT.—For purposes of this section—

''(1) IN GENERAL.—The term 'FFARRM Account' means a trust created or organized in the United States for the exclusive benefit of the taxpayer, but only if the written governing instrument creating the trust meets the following requirements:

''(A) No contribution will be accepted for any taxable year in excess of the amount allowed as a deduction under subsection (a) for such year.

''(B) The trustee is a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section.

''(C) The assets of the trust consist entirely of cash or of obligations which have adequate stated interest (as defined in section 1274(c)(2)) and which pay such interest not less often than annually.

''(D) All income of the trust is distributed currently to the grantor.

''(E) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

''(2) ACCOUNT TAXED AS GRANTOR TRUST.—The grantor of a FFARRM Account shall be treated for purposes of this title as the owner of such Account and shall be subject to tax thereon in accordance with subpart E of part I of subchapter J of this chapter (relating to grantors and others treated as substantial owners).

''(e) INCLUSION OF AMOUNTS DISTRIBUTED.—

''(1) IN GENERAL.—Except as provided in paragraph (2), there shall be includible in the gross income of the taxpayer for any taxable year—

''(A) any amount distributed from a FFARRM Account of the taxpayer during such taxable year, and

''(B) any deemed distribution under—

''(i) subsection (f)(1) (relating to deposits not distributed within 5 years),

''(ii) subsection (f)(2) (relating to cessation in eligible farming business), and

''(iii) subparagraph (A) or (B) of subsection (f)(3) (relating to prohibited transactions and pledging account as security).

''(2) EXCEPTIONS.—Paragraph (1)(A) shall not apply to—

''(A) any distribution to the extent attributable to income of the Account, and

''(B) the distribution of any contribution paid during a taxable year to a FFARRM Account to the extent that such contribution exceeds the limitation applicable under subsection (b) if requirements similar to the requirements of section 408(d)(4) are met.

For purposes of subparagraph (A), distributions shall be treated as first attributable to income and then to other amounts.

''(f) SPECIAL RULES.—

''(1) TAX ON DEPOSITS IN ACCOUNT WHICH ARE NOT DISTRIBUTED WITHIN 5 YEARS.—

''(A) IN GENERAL.—If, at the close of any taxable year, there is a nonqualified balance in any FFARRM Account—

''(i) there shall be deemed distributed from such Account during such taxable year an amount equal to such balance, and

''(ii) the taxpayer's tax imposed by this chapter for such taxable year shall be increased by 10 percent of such deemed distribution.

The preceding sentence shall not apply if an amount equal to such nonqualified balance is distributed from such Account to the taxpayer before the due date (including extensions) for filing the return of tax imposed by this chapter for such year (or, if earlier, the date the taxpayer files such return for such year).

''(B) NONQUALIFIED BALANCE.—For purposes of subparagraph (A), the term 'nonqualified balance' means any balance in the Account on the last day of the taxable year which is attributable to amounts deposited in such Account before the 4th preceding taxable year.

''(C) ORDERING RULE.—For purposes of this paragraph, distributions from a FFARRM Account (other than distributions of current income) shall be treated as made from deposits in the order in which such deposits were made, beginning with the earliest deposits.

''(2) CESSATION IN ELIGIBLE BUSINESS.—At the close of the first disqualification period after a period for which the taxpayer was engaged in an eligible farming business or commercial fishing, there shall be deemed distributed from the FFARRM Account of the taxpayer an amount equal to the balance in such Account (if any) at the close of such disqualification period. For purposes of the preceding sentence, the term 'disqualification period' means any period of 2 consecutive taxable years for which the taxpayer is not engaged in an eligible farming business or commercial fishing.

''(3) CERTAIN RULES TO APPLY.—Rules similar to the following rules shall apply for purposes of this section:

''(A) Section 220(f)(8) (relating to treatment on death).

''(B) Section 408(e)(2) (relating to loss of exemption of account where individual engages in prohibited transaction).

''(C) Section 408(e)(4) (relating to effect of pledging account as security).

''(D) Section 408(g) (relating to community property laws).

''(E) Section 408(h) (relating to custodial accounts).

''(4) TIME WHEN PAYMENTS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a payment to a FFARRM Account on the last day of a taxable year if such payment is made on account of such taxable year and is made on or before the due date (without regard to extensions) for filing the return of tax for such taxable year.

''(5) INDIVIDUAL.—For purposes of this section, the term 'individual' shall not include an estate or trust.

''(6) DEDUCTION NOT ALLOWED FOR SELF-EMPLOYMENT TAX.—The deduction allowable by reason of subsection (a) shall not be taken into account in determining an individual's net earnings from self-employment (within the meaning of section 1402(a)) for purposes of chapter 2.

''(g) REPORTS.—The trustee of a FFARRM Account shall make such reports regarding such Account to the Secretary and to the person for whose benefit the Account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such persons at such time and in such manner as may be required by such regulations.''.

(b) TAX ON EXCESS CONTRIBUTIONS.—

(1) Subsection (a) of section 4973 (relating to tax on excess contributions to certain tax-favored accounts and annuities) is amended by striking ''or'' at the end of paragraph (3), by redesignating paragraph (4) as paragraph (5), and by inserting after paragraph (3) the following:

''(4) a FFARRM Account (within the meaning of section 468C(d)), or''.

(2) Section 4973 is amended by adding at the end the following:

''(g) EXCESS CONTRIBUTIONS TO FFARRM ACCOUNTS.—For purposes of this section, in the case of a FFARRM Account (within the meaning of section 468C(d)), the term 'excess contributions' means the amount by which the amount contributed for the taxable year to the Account exceeds the amount which may be contributed to the Account under section 468C(b) for such taxable year. For purposes of this subsection, any contribution which is distributed out of the FFARRM Account in a distribution to which section 468C(e)(2)(B) applies shall be treated as an amount not contributed.''.

(3) The section heading for section 4973 is amended to read as follows:

''SEC. 4973. EXCESS CONTRIBUTIONS TO CERTAIN ACCOUNTS, ANNUITIES, ETC.''.

(4) The table of sections for chapter 43 is amended by striking the item relating to section 4973 and inserting the following:

''Sec. 4973. Excess contributions to certain accounts, annuities, etc.''.

(c) TAX ON PROHIBITED TRANSACTIONS.—

(1) Subsection (c) of section 4975 (relating to tax on prohibited transactions) is amended by adding at the end the following:

''(6) SPECIAL RULE FOR FFARRM ACCOUNTS.—A person for whose benefit a FFARRM Account (within the meaning of section 468C(d)) is established shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a FFARRM Account by reason of the application of section 468C(f)(3)(A) to such account.''.

(2) Paragraph (1) of section 4975(e) is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively, and by inserting after subparagraph (D) the following:

''(E) a FFARRM Account described in section 468C(d),''.

(d) FAILURE TO PROVIDE REPORTS ON FFARRM ACCOUNTS.—Paragraph (2) of section 6693(a) (relating to failure to provide reports on certain tax-favored accounts or annuities) is amended by redesignating subparagraphs (C) and (D) as subparagraphs (D)

and (E), respectively, and by inserting after subparagraph (B) the following:

''(C) section 468C(g) (relating to FFARRM Accounts),''.

(e) CLERICAL AMENDMENT.—The table of sections for subpart C of part II of subchapter E of chapter 1 is amended by inserting after the item relating to section 468B the following:

''Sec. 468C. Farm, Fishing and Ranch Risk Management Accounts.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 602. WRITTEN AGREEMENT RELATING TO EXCLUSION OF CERTAIN FARM RENTAL INCOME FROM NET EARNINGS FROM SELF-EMPLOYMENT.

(a) INTERNAL REVENUE CODE.—Section 1402(a)(1)(A) (relating to net earnings from self-employment) is amended by striking ''an arrangement'' and inserting ''a lease agreement''.

(b) SOCIAL SECURITY ACT.—Section 211(a)(1)(A) of the Social Security Act is amended by striking ''an arrangement'' and inserting ''a lease agreement''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 603. TREATMENT OF CONSERVATION RESERVE PROGRAM PAYMENTS AS RENTALS FROM REAL ESTATE.

(a) IN GENERAL.—Section 1402(a)(1) (defining net earnings from self-employment) is amended by inserting ''and including payments under section 1233(2) of the Food Security Act of 1985 (16 U.S.C. 3833(2))'' after ''crop shares''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made before, on, or after the date of the enactment of this Act.

SEC. 604. EXEMPTION OF AGRICULTURAL BONDS FROM STATE VOLUME CAP.

(a) IN GENERAL.—Section 146(g) (relating to exception for certain bonds) is amended by striking ''and'' at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting '', and'', and by inserting after paragraph (4) the following:

''(5) any qualified small issue bond described in section 144(a)(12)(B)(ii).''.

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

SEC. 605. MODIFICATIONS TO SECTION 512(b)(13).

(a) IN GENERAL.—Paragraph (13) of section 512(b) is amended by redesignating subparagraph (E) as subparagraph (F) and by inserting after subparagraph (D) the following new paragraph:

''(E) PARAGRAPH TO APPLY ONLY TO EXCESS PAYMENTS.—

''(i) IN GENERAL.—Subparagraph (A) shall apply only to the portion of a specified payment received by the controlling organization that exceeds the amount which would have been paid if such payment met the requirements prescribed under section 482.

''(ii) ADDITION TO TAX FOR VALUATION MISSTATEMENTS.—The tax imposed by this chapter on the controlling organization shall be increased by an amount equal to 20 percent of such excess.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to payments received or accrued after December 31, 2000.

(2) PAYMENTS SUBJECT TO BINDING CONTRACT TRANSITION RULE.—If the amendments made by section 1041 of the Taxpayer Relief Act of 1997 do not apply to any amount received or accrued after the date of the enactment of this Act under any contract described in subsection (b)(2) of such section, such amendments also shall not apply to amounts received or accrued under such contract before January 1, 2001.

SEC. 606. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Subsection (e) of section 170 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new paragraph:

''(7) SPECIAL RULE FOR CONTRIBUTIONS OF FOOD INVENTORY.—For purposes of this section—

''(A) CONTRIBUTIONS BY NON-CORPORATE TAXPAYERS.—In the case of a charitable contribution of food, paragraph (3)(A) shall be applied without regard to whether or not the contribution is made by a corporation.

''(B) LIMIT ON REDUCTION.—In the case of a charitable contribution of food which is a qualified contribution (within the meaning of paragraph (3)(A), as modified by subparagraph (A) of this paragraph)—

''(i) paragraph (3)(B) shall not apply, and

''(ii) the reduction under paragraph (1)(A) for such contribution shall be no greater than the amount (if any) by which the amount of such contribution exceeds twice the basis of such food.

''(C) DETERMINATION OF BASIS.—For purposes of this paragraph, if a taxpayer uses the cash method of accounting, the basis of any qualified contribution of such taxpayer shall be deemed to be 50 percent of the fair market value of such contribution.

''(D) DETERMINATION OF FAIR MARKET VALUE.—In the case of a charitable contribution of food which is a qualified contribution (within the meaning of paragraph (3), as modified by subparagraphs (A) and (B) of this paragraph) and which, solely by reason of internal standards of the taxpayer, lack of market, or similar circumstances, or which is produced by the taxpayer exclusively for the purposes of transferring the food to an organization described in paragraph (3)(A), cannot or will not be sold, the fair market value of such contribution shall be determined—

''(i) without regard to such internal standards, such lack of market, such circumstances, or such exclusive purpose, and

''(ii) if applicable, by taking into account the price at which the same or similar food items are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2000.

SEC. 607. INCOME AVERAGING FOR FARMERS AND FISHERMEN NOT TO INCREASE ALTERNATIVE MINIMUM TAX LIABILITY.

(a) IN GENERAL.—Section 55(c) (defining regular tax) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following:

''(2) COORDINATION WITH INCOME AVERAGING FOR FARMERS AND FISHERMEN.—Solely for purposes of this section, section 1301 (relating to averaging of farm and fishing income) shall not apply in computing the regular tax.''.

(b) ALLOWING INCOME AVERAGING FOR FISHERMEN.—

(1) IN GENERAL.—Section 1301(a) is amended by striking ''farming business'' and inserting ''farming business or fishing business,''.

(2) DEFINITION OF ELECTED FARM INCOME.—

(A) IN GENERAL.—Clause (i) of section 1301(b)(1)(A) is amended by inserting ''or fishing business'' before the semicolon.

(B) CONFORMING AMENDMENT.—Subparagraph (B) of section 1301(b)(1) is amended by inserting ''or fishing business'' after ''farming business'' both places it occurs.

(3) DEFINITION OF FISHING BUSINESS.—Section 1301(b) is amended by adding at the end the following new paragraph:

''(4) FISHING BUSINESS.—The term 'fishing business' means the conduct of commercial fishing as defined in section 3 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 608. REPEAL OF MODIFICATION OF INSTALLMENT METHOD.

(a) IN GENERAL.—Subsection (a) of section 536 of the Ticket to Work and Work Incentives Improvement Act of 1999 (relating to modification of installment method and repeal of installment method for accrual method taxpayers) is repealed effective with respect to sales and other dispositions occurring on or after the date of the enactment of such Act.

(b) APPLICABILITY.—The Internal Revenue Code of 1986 shall be applied and administered as if such subsection (and the amendments made by such subsection) had not been enacted.

SEC. 609. COOPERATIVE MARKETING INCLUDES VALUE-ADDED PROCESSING THROUGH ANIMALS.

(a) IN GENERAL.—Section 1388 (relating to definitions and special rules) is amended by adding at the end the following:

''(k) COOPERATIVE MARKETING INCLUDES VALUE-ADDED PROCESSING THROUGH ANIMALS.—For purposes of section 521 and this subchapter, 'marketing the products of members or other producers' includes feeding the products of members or other producers to cattle, hogs, fish, chickens, or other animals and selling the resulting animals or animal products.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 610. SMALL ETHANOL PRODUCER CREDIT.

(a) ALLOCATION OF ALCOHOL FUELS CREDIT TO PATRONS OF A COOPERATIVE.—Section 40(g) (relating to alcohol used as fuel) is amended by adding at the end the following:

''(6) ALLOCATION OF SMALL ETHANOL PRODUCER CREDIT TO PATRONS OF COOPERATIVE.—

''(A) ELECTION TO ALLOCATE.—

''(i) IN GENERAL.—In the case of a cooperative organization described in section 1381(a), any portion of the credit determined under subsection (a)(3) for the taxable year may, at the election of the organization, be apportioned pro rata among patrons of the organization on the basis of the quantity or value of business done with or for such patrons for the taxable year.

''(ii) FORM AND EFFECT OF ELECTION.—An election under clause (i) for any taxable year shall be made on a timely filed return for such year. Such election, once made, shall be irrevocable for such taxable year.

''(iii) SPECIAL RULE FOR 1998 AND 1999.—Notwithstanding clause (ii), an election for any taxable year ending prior to the date of the enactment of the Death Tax Elimination Act of 2000 may be made at any time before the expiration of the 3-year period beginning on the last date prescribed by law for filing the return of the taxpayer for such taxable year (determined without regard to extensions) by filing an amended return for such year.

''(B) TREATMENT OF ORGANIZATIONS AND PATRONS.—The amount of the credit apportioned to patrons under subparagraph (A)—

''(i) shall not be included in the amount determined under subsection (a) with respect to the organization for the taxable year,

''(ii) shall be included in the amount determined under subsection (a) for the taxable year of each patron for which the patronage

dividends for the taxable year described in subparagraph (A) are included in gross income, and

''(iii) shall be included in gross income of such patrons for the taxable year in the manner and to the extent provided in section 87.

''(C) SPECIAL RULES FOR DECREASE IN CREDITS FOR TAXABLE YEAR.—If the amount of the credit of a cooperative organization determined under subsection (a)(3) for a taxable year is less than the amount of such credit shown on the return of the cooperative organization for such year, an amount equal to the excess of—

''(i) such reduction, over

''(ii) the amount not apportioned to such patrons under subparagraph (A) for the taxable year,

shall be treated as an increase in tax imposed by this chapter on the organization. Such increase shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit under this subpart or subpart A, B, E, or G.''.

(b) IMPROVEMENTS TO SMALL ETHANOL PRODUCER CREDIT.—

(1) SMALL ETHANOL PRODUCER CREDIT NOT A PASSIVE ACTIVITY CREDIT.—Clause (i) of section 469(d)(2)(A) is amended by striking ''subpart D'' and inserting ''subpart D, other than section 40(a)(3),''.

(2) ALLOWING CREDIT AGAINST MINIMUM TAX.—

(A) IN GENERAL.—Subsection (c) of section 38 (relating to limitation based on amount of tax) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) SPECIAL RULES FOR SMALL ETHANOL PRODUCER CREDIT.—

''(A) IN GENERAL.—In the case of the small ethanol producer credit—

''(i) this section and section 39 shall be applied separately with respect to the credit, and

''(ii) in applying paragraph (1) to the credit—

''(I) subparagraphs (A) and (B) thereof shall not apply, and

''(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the small ethanol producer credit).

''(B) SMALL ETHANOL PRODUCER CREDIT.—For purposes of this subsection, the term 'small ethanol producer credit' means the credit allowable under subsection (a) by reason of section 40(a)(3).''.

(B) CONFORMING AMENDMENT.—Subclause (II) of section 38(c)(2)(A)(ii) is amended by inserting ''or the small ethanol producer credit'' after ''employment credit''.

(3) SMALL ETHANOL PRODUCER CREDIT NOT ADDED BACK TO INCOME UNDER SECTION 87.—Section 87 (relating to income inclusion of alcohol fuel credit) is amended to read as follows:

''SEC. 87. ALCOHOL FUEL CREDIT.

''Gross income includes an amount equal to the sum of—

''(1) the amount of the alcohol mixture credit determined with respect to the taxpayer for the taxable year under section 40(a)(1), and

''(2) the alcohol credit determined with respect to the taxpayer for the taxable year under section 40(a)(2).''.

(c) CONFORMING AMENDMENT.—Section 1388 (relating to definitions and special rules for cooperative organizations) is amended by adding at the end the following:

''(k) CROSS REFERENCE.—For provisions relating to the apportionment of the alcohol fuels credit between cooperative organizations and their patrons, see section 40(d) (6).''

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsection (b) of this section shall apply to taxable years ending after the date of enactment.

(2) PROVISIONS AFFECTING COOPERATIVES AND THEIR PATRONS.—The amendments made by subsections (a) and (c), and the amendments made by paragraphs (2) and (3) of subsection (b), shall apply to taxable years beginning after December 31, 1997.

DURBIN AMENDMENT NO. 3850

Mr. REID (for Mr. DURBIN) proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end, add the following:

SEC. ___. DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS INCREASED.

(a) IN GENERAL.—Section 162(*l*)(1) of the Internal Revenue Code of 1986 (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, the taxpayer's spouse, and dependents.''.

(c) EFFECTIVE DATE.—The amendment made by this section applies to taxable years beginning after December 31, 2000.

BOND AMENDMENT NO. 3851

Mr. ROTH. (for Mr. BOND) proposed an amendment to amendment No. 3850 previously proposed by Mr. REID (for Mr. DURBIN) to the bill, H.R. 4810, supra; as follows:

Strike all after the first word, and insert the following:

1. SHORT TITLE.

This Act may be cited as the ''Self-Employed Health Insurance Fairness Act of 1999''.

SEC. . DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS INCREASED.

(a) IN GENERAL.—Section 162(l)(1) of the Internal Revenue Code of 1986 (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, the taxpayer's spouse, and dependents.''

(b) CLARIFICATION OF LIMITATIONS ON OTHER COVERAGE.—The first sentence of section 162(l)(2)(B) of the Internal Revenue Code of 1986 is amended to read as follows: ''Paragraph (1) shall not apply to any taxpayer for any calendar month for which the taxpayer participates in any subsidized health plan maintained by any employer (other than an employer described in section 401(c)(4)) of the taxpayer or the spouse of the taxpayer.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

DURBIN AMENDMENT NO. 3852

Mr. REID (for Mr. DURBIN) proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end, add the following:

SEC. ___. CREDIT FOR EMPLOYEE HEALTH INSURANCE EXPENSES.

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

''SEC. 45D. EMPLOYEE HEALTH INSURANCE EXPENSES.

''(a) GENERAL RULE.—For purposes of section 38, in the case of a small employer, the employee health insurance expenses credit determined under this section is an amount equal to the applicable percentage of the amount paid by the taxpayer during the taxable year for qualified employee health insurance expenses.

''(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a)—

''(1) IN GENERAL.—Except as provided in paragraph (2), the applicable percentage is equal to—

''(A) 25 percent in the case of self-only coverage, and

''(B) 35 percent in the case of family coverage (as defined in section 220(c)(5)).

''(2) FIRST YEAR COVERAGE.—

''(A) IN GENERAL.—In the case of first year coverage, paragraph (1) shall be applied by substituting '60 percent' for '25 percent' and '70 percent' for '35 percent'.

''(B) FIRST YEAR COVERAGE.—For purposes of subparagraph (A), the term 'first year coverage' means the first taxable year in which the small employer pays qualified employee health insurance expenses but only if such small employer did not provide health insurance coverage for any qualified employee during the 2 taxable years immediately preceding the taxable year.

''(c) PER EMPLOYEE DOLLAR LIMITATION.—The amount of qualified employee health insurance expenses taken into account under subsection (a) with respect to any qualified employee for any taxable year shall not exceed—

''(1) $1,800 in the case of self-only coverage, and

''(2) $4,000 in the case of family coverage (as so defined).

''(d) DEFINITIONS.—For purposes of this section—

''(1) SMALL EMPLOYER.—

''(A) IN GENERAL.—The term 'small employer' means, with respect to any calendar year, any employer if such employer employed an average of 9 or fewer employees on business days during either of the 2 preceding calendar years. For purposes of the preceding sentence, a preceding calendar year may be taken into account only if the employer was in existence throughout such year.

''(B) EMPLOYERS NOT IN EXISTENCE IN PRECEDING YEAR.—In the case of an employer which was not in existence throughout the 1st preceding calendar year, the determination under subparagraph (A) shall be based on the average number of employees that it is reasonably expected such employer will employ on business days in the current calendar year.

''(2) QUALIFIED EMPLOYEE HEALTH INSURANCE EXPENSES.—

''(A) IN GENERAL.—The term 'qualified employee health insurance expenses' means any amount paid by an employer for health insurance coverage to the extent such amount is attributable to coverage provided to any employee while such employee is a qualified employee.

''(B) EXCEPTION FOR AMOUNTS PAID UNDER SALARY REDUCTION ARRANGEMENTS.—No amount paid or incurred for health insurance coverage pursuant to a salary reduction arrangement shall be taken into account under subparagraph (A).

''(C) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' has the meaning given such term by section 9832(b)(1).

''(3) QUALIFIED EMPLOYEE.—

''(A) IN GENERAL.—The term 'qualified employee' means, with respect to any period, an employee of an employer if the total amount of wages paid or incurred by such employer to such employee at an annual rate during the taxable year exceeds $5,000 but does not exceed $16,000.

''(B) TREATMENT OF CERTAIN EMPLOYEES.—For purposes of subparagraph (A), the term 'employee'—

''(i) shall not include an employee within the meaning of section 401(c)(1), and

''(ii) shall include a leased employee within the meaning of section 414(n).

''(C) WAGES.—The term 'wages' has the meaning given such term by section 3121(a) (determined without regard to any dollar limitation contained in such section).

''(D) INFLATION ADJUSTMENT.—

''(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2000, the $16,000 amount contained in subparagraph (A) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1999' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING.—If any increase determined under clause (i) is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100.

''(e) CERTAIN RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of section 52 shall apply.

''(f) DENIAL OF DOUBLE BENEFIT.—No deduction or credit under any other provision of this chapter shall be allowed with respect to qualified employee health insurance expenses taken into account under subsection (a).''

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

''(13) the employee health insurance expenses credit determined under section 45D.''

(c) NO CARRYBACKS.—Subsection (d) of section 39 of the Internal Revenue Code of 1986 (relating to carryback and carryforward of unused credits) is amended by adding at the end the following:

''(9) NO CARRYBACK OF SECTION 45D CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the employee health insurance expenses credit determined under section 45D may be carried back to a taxable year ending before the date of the enactment of section 45D.''

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''Sec. 45D. Employee health insurance expenses.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after the date of the enactment of this Act.

ROBB (AND OTHERS) AMENDMENT NO. 3853

Mr. REID (for Mr. ROBB (for himself, Mr. GRAHAM, and Mr. KENNEDY) proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end of the bill, insert the following:

SEC. ___. EFFECTIVE DATE.

Notwithstanding any other provision of this Act or amendment made by this Act, no such provision or amendment shall take effect until legislation has been enacted that provides a voluntary, affordable outpatient Medicare prescription drug benefit to all Medicare beneficiaries that guarantees meaningful, stable coverage, including stop-loss and low-income protections.

TORRICELLI (AND REED) AMENDMENT NO. 3854

Mr. REED (for Mr. TORRICELLI and Mr. REED) proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end of the bill, add the following:

SEC. 7. INCREASED LEAD POISONING SCREENINGS AND TREATMENTS UNDER THE MEDICAID PROGRAM.

(a) REPORTING REQUIREMENT.—Section 1902(a)(43)(D) of the Social Security Act (42 U.S.C. 1396a(a)(43)(D)) is amended—

(1) in clause (iii), by striking ''and'' at the end;

(2) in clause (iv), by striking the semicolon and inserting '', and''; and

(3) by adding at the end the following:

''(v) the number of children who are under the age of 3 and enrolled in the State plan and the number of those children who have received a blood lead screening test;''.

(b) MANDATORY SCREENING REQUIREMENTS.—Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended—

(1) in paragraph (64), by striking ''and'' at the end;

(2) in paragraph (65), by striking the period and inserting ''; and''; and

(3) by inserting after paragraph (65) the following:

''(66) provide that each contract entered into between the State and an entity (including a health insuring organization and a medicaid managed care organization) that is responsible for the provision (directly or through arrangements with providers of services) of medical assistance under the State plan shall provide for—

''(A) compliance with mandatory blood lead screening requirements that are consistent with prevailing guidelines of the Centers for Disease Control and Prevention for such screening; and

''(B) coverage of qualified lead treatment services described in section 1905(x) including diagnosis, treatment, and follow-up furnished for children with elevated blood lead levels in accordance with prevailing guidelines of the Centers for Disease Control and Prevention.''.

(c) REIMBURSEMENT FOR TREATMENT OF CHILDREN WITH ELEVATED BLOOD LEAD LEVELS.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended—

(1) in subsection (a)—

(A) in paragraph (26), by striking ''and'' at the end;

(B) by redesignating paragraph (27) as paragraph (28); and

(C) by inserting after paragraph (26) the following:

''(27) qualified lead treatment services (as defined in subsection (x)); and''; and

(2) by adding at the end the following:

''(x)(1) In this subsection:

''(A) The term 'qualified lead treatment services' means the following:

''(i) Lead-related medical management, as defined in subparagraph (B).

''(ii) Lead-related case management, as defined in subparagraph (C), for a child described in paragraph (2).

''(iii) Lead-related anticipatory guidance, as defined in subparagraph (D), provided as part of—

''(I) prenatal services;

''(II) early and periodic screening, diagnostic, and treatment services (EPSDT) services described in subsection (r) and available under subsection (a)(4)(B) (including as described and available under implementing regulations and guidelines) to individuals enrolled in the State plan under this title who have not attained age 21; and

''(III) routine pediatric preventive services.

''(B) The term 'lead-related medical management' means the provision and coordination of the diagnostic, treatment, and follow-up services provided for a child diagnosed with an elevated blood lead level (EBLL) that includes—

''(i) a clinical assessment, including a physical examination and medically indicated tests (in addition to diagnostic blood lead level tests) and other diagnostic procedures to determine the child's developmental, neurological, nutritional, and hearing status, and the extent, duration, and possible source of the child's exposure to lead;

''(ii) repeat blood lead level tests furnished when medically indicated for purposes of monitoring the blood lead concentrations in the child;

''(iii) pharmaceutical services, including chelation agents and other drugs, vitamins, and minerals prescribed for treatment of an EBLL;

''(iv) medically indicated inpatient services including pediatric intensive care and emergency services;

''(v) medical nutrition therapy when medically indicated by a nutritional assessment, that shall be furnished by a dietitian or other nutrition specialist who is authorized to provide such services under State law;

''(vi) referral—

''(I) when indicated by a nutritional assessment, to the State agency or contractor administering the program of assistance under the special supplemental food program for women, infants and children (WIC) under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) and coordination of clinical management with that program; and

''(II) when indicated by a clinical or developmental assessment, to the State agency responsible for early intervention and special education programs under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.); and

''(vii) environmental investigation, as defined in subparagraph (E).

''(C) The term 'lead-related case management' means the coordination, provision, and oversight of the nonmedical services for a child with an EBLL necessary to achieve reductions in the child's blood lead levels, improve the child's nutrition, and secure needed resources and services to protect the child by a case manager trained to develop and oversee a multi-disciplinary plan for a child with an EBLL or by a childhood lead poisoning prevention program, as defined by the Secretary. Such services include—

''(i) assessing the child's environmental, nutritional, housing, family, and insurance status and identifying the family's immediate needs to reduce lead exposure through an initial home visit;

''(ii) developing a multidisciplinary case management plan of action that addresses the provision and coordination of each of the following classes of services as appropriate—

''(I) whether or not such services are covered under the State plan under this title;

''(II) lead-related medical management of an EBLL (including environmental investigation);

''(III) nutrition services;

''(IV) family lead education;

''(V) housing;

''(VI) early intervention services;

''(VII) social services; and

''(VIII) other services or programs that are indicated by the child's clinical status and environmental, social, educational, housing, and other needs;

''(iii) assisting the child (and the child's family) in gaining access to covered and non-covered services in the case management plan developed under clause (ii);

''(iv) providing technical assistance to the provider that is furnishing lead-related medical management for the child; and

''(v) implementation and coordination of the case management plan developed under clause (ii) through home visits, family lead education, and referrals.

''(D) The term 'lead-related anticipatory guidance' means education and information for families of children and pregnant women enrolled in the State plan under this title about prevention of childhood lead poisoning that addresses the following topics:

''(i) The importance of lead screening tests and where and how to obtain such tests.

''(ii) Identifying lead hazards in the home.

''(iii) Specialized cleaning, home maintenance, nutritional, and other measures to minimize the risk of childhood lead poisoning.

''(iv) The rights of families under the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.).

''(E) The term 'environmental investigation' means the process of determining the source of a child's exposure to lead by an individual that is certified or registered to perform such investigations under State or local law, including the collection and analysis of information and environmental samples from a child's living environment. For purposes of this subparagraph, a child's living environment includes the child's residence or residences, residences of frequently visited caretakers, relatives, and playmates, and the child's day care site. Such investigations shall be conducted in accordance with the standards of the Department of Housing and Urban Development for the evaluation and control of lead-based paint hazards in housing and in compliance with State and local health agency standards for environmental investigation and reporting.

''(2) For purposes of paragraph (1)(A)(ii), a child described in this paragraph is a child who—

''(A) has attained 6 months but has not attained 6 years of age; and

''(B) has been identified as having a blood lead level that equals or exceeds 20 micrograms per deciliter (or after 2 consecutive tests, equals or exceeds 15 micrograms per deciliter, or the applicable number of micrograms designated for such tests under prevailing guidelines of the Centers for Disease Control and Prevention).''.

(d) ENHANCED MATCH FOR DATA COMMUNICATIONS SYSTEM.—Section 1903(a)(3) of the Social Security Act (42 U.S.C. 1396b(a)(3)) is amended—

(1) in subparagraph (D), by striking ''plus'' at the end and inserting ''and''; and

(2) by inserting after subparagraph (D), the following:

''(E)(i) 90 percent of so much of the sums expended during such quarter as are attributable to the design, development, or installation of an information retrieval system that may be easily accessed and used by other federally-funded means-tested public benefit programs to determine whether a child is enrolled in the State plan under this title and whether an enrolled child has received mandatory early and periodic screening, diagnostic, and treatment services, as described in section 1905(r); and

''(ii) 75 percent of so much of the sums expended during such quarter as are attributable to the operation of a system (whether such system is operated directly by the State or by another person under a contract with the State) of the type described in clause (i); plus''.

(e) REPORT.—The Secretary of Health and Human Services, acting through the Administrator of the Health Care Financing Administration, annually shall report to Congress on the number of children enrolled in the medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) who have received a blood lead screening test during the prior fiscal year, noting the percentage that such children represent as compared to all children enrolled in that program.

(f) RULE OF CONSTRUCTION.—Nothing in this section or in any amendment made by this section shall be construed as prohibiting the Secretary of Health and Human Services or the State agency administering the State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) from using funds provided under title XIX of that Act to reimburse a State or entity for expenditures for medically necessary activities in the home of a lead-poisoned child to prevent additional exposure to lead, including specialized cleaning of lead-contaminated dust, emergency relocation, safe repair of peeling paint, dust control, and other activities that reduce lead exposure.

TORRICELLI AMENDMENTS NOS. 3855–3857

Mr. REED (for Mr. TORRICELLI) proposed three amendments to the bill, H.R. 4810, supra; as follows:

AMENDMENT NO. 3855

At the end of the bill, add the following:

SEC. 7. WAIVER OF 24-MONTH WAITING PERIOD FOR MEDICARE COVERAGE OF INDIVIDUALS DISABLED WITH AMYOTROPHIC LATERAL SCLEROSIS (ALS).

(a) IN GENERAL.—Section 226 of the Social Security Act (42 U.S.C. 426) is amended—

(1) by redesignating subsection (h) as subsection (j) and by moving such subsection to the end of the section; and

(2) by inserting after subsection (g) the following:

''(h) For purposes of applying this section in the case of an individual medically determined to have amyotrophic lateral sclerosis (ALS), the following special rules apply:

''(1) Subsection (b) shall be applied as if there were no requirement for any entitlement to benefits, or status, for a period longer than 1 month.

''(2) The entitlement under such subsection shall begin with the first month (rather than twenty-fifth month) of entitlement or status.

''(3) Subsection (f) shall not be applied.''.

(b) CONFORMING AMENDMENT.—Section 1837 of such Act (42 U.S.C. 1395p) is amended by adding at the end the following:

''(j) In applying this section in the case of an individual who is entitled to benefits under part A pursuant to the operation of section 226(h), the following special rules apply:

''(1) The initial enrollment period under subsection (d) shall begin on the first day of the first month in which the individual satisfies the requirement of section 1836(1).

''(2) In applying subsection (g)(1), the initial enrollment period shall begin on the first day of the first month of entitlement to disability insurance benefits referred to in such subsection.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits for months beginning after the date of the enactment of this Act.

AMENDMENT NO. 3856

At the end, add the following:

SEC. ___. MODIFICATIONS TO DISASTER CASUALTY LOSS DEDUCTION.

(a) LOWER ADJUSTED GROSS INCOME THRESHOLD.—Paragraph (2) of section 165(h) of the Internal Revenue Code of 1986 (relating to treatment of casualty gains and losses) is amended—

(1) by striking subparagraph (A) and inserting the following:

''(A) IN GENERAL.—If the personal casualty losses for any taxable year exceed the personal casualty gains for such taxable year, such losses shall be allowed for the taxable year only to the extent of the sum of—

''(i) the amount of the personal casualty gains for the taxable year, plus

''(ii) so much of such excess attributable to losses described in subsection (i) as exceeds 5 percent of the adjusted gross income of the individual (determined without regard to any deduction allowable under subsection (c)(3))'', plus

''(iii) so much of such excess attributable to losses not described in subsection (i) as exceeds 10 percent of the adjusted gross income of the individual.

For purposes of this subparagraph, personal casualty losses attributable to losses not described in subsection (i) shall be considered before such losses attributable to losses described in subsection (i).'', and

(2) by striking ''10 PERCENT'' in the heading and inserting ''PERCENTAGE''.

(b) ABOVE-THE-LINE DEDUCTION.—Section 62(a) of the Internal Revenue Code of 1986 (defining adjusted gross income) is amended by inserting after paragraph (17) the following:

''(18) CERTAIN DISASTER LOSSES.—The deduction allowed by section 165(c)(3) to the extent attributable to losses described in section 165(i).''

(c) ELECTION TO TAKE DISASTER LOSS DEDUCTION FOR PRECEDING OR SUCCEEDING 2 YEARS.—Paragraph (1) of section 165(i) of the Internal Revenue Code of 1986 (relating to disaster losses) is amended—

(1) by inserting ''or succeeding'' after ''preceding'', and

(2) by inserting ''OR SUCCEEDING'' after ''PRECEDING'' in the heading.

(d) ELIMINATION OF MARRIAGE PENALTY FOR INDIVIDUALS SUFFERING CASUALTY LOSSES.—Subparagraph (B) of section 165(h)(4) of the Internal Revenue Code of 1986 (relating to special rules) is amended to read as follows:

''(B) JOINT RETURNS.—For purposes of this subsection—

''(i) IN GENERAL.—Except as provided in clause (ii), a husband and wife making a joint return for the taxable year shall be treated as 1 individual.

''(ii) ELECTION.—A husband and wife may elect to have each be treated as a single individual for purposes of applying this section. If an election is made under this clause, the adjusted gross income of each individual shall be determined on the basis of the items of income and deduction properly allocable to the individual, as determined under rules prescribed by the Secretary.''

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

AMENDMENT NO. 3857

At the end, add the following:

SEC. ___. ELIMINATION OF MARRIAGE PENALTY FOR INDIVIDUALS SUFFERING CASUALTY LOSSES.

(a) IN GENERAL.—Subparagraph (B) of section 165(h)(4) of the Internal Revenue Code of

1986 (relating to special rules) is amended to read as follows:

''(B) JOINT RETURNS.—For purposes of this subsection—

''(i) IN GENERAL.—Except as provided in clause (ii), a husband and wife making a joint return for the taxable year shall be treated as 1 individual.

''(ii) ELECTION.—A husband and wife may elect to have each be treated as a single individual for purposes of applying this section. If an election is made under this clause, the adjusted gross income of each individual shall be determined on the basis of the items of income and deduction properly allocable to the individual, as determined under rules prescribed by the Secretary.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to losses sustained in taxable years beginning after December 31, 1998.

LAUTENBERG AMENDMENT NO. 3858

Mr. REID (for Mr. LAUTENBERG) proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end, add the following:

SEC. 7. CREDIT TO HOLDERS OF QUALIFIED AMTRAK BONDS.

(a) IN GENERAL.—Part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to credits against tax) is amended by adding at the end the following new subpart:

''Subpart H—Nonrefundable Credit for Holders of Qualified Amtrak Bonds

''Sec. 54. Credit to holders of qualified Amtrak bonds.

''SEC. 54. CREDIT TO HOLDERS OF QUALIFIED AMTRAK BONDS.

''(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a qualified Amtrak bond on a credit allowance date of such bond which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year the amount determined under subsection (b).

''(b) AMOUNT OF CREDIT.—

''(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any credit allowance date for a qualified Amtrak bond is 25 percent of the annual credit determined with respect to such bond.

''(2) ANNUAL CREDIT.—The annual credit determined with respect to any qualified Amtrak bond is the product of—

''(A) the applicable credit rate, multiplied by

''(B) the outstanding face amount of the bond.

''(3) APPLICABLE CREDIT RATE.—For purposes of paragraph (2), the applicable credit rate with respect to an issue is the rate equal to an average market yield (as of the day before the date of issuance of the issue) on outstanding long-term corporate debt obligations (determined under regulations prescribed by the Secretary).

''(4) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed.

''(c) LIMITATION BASED ON AMOUNT OF TAX.—

''(1) IN GENERAL.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

''(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(B) the sum of the credits allowable under this part (other than this subpart and subpart C).

''(2) CARRYOVER OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

''(d) QUALIFIED AMTRAK BOND.—For purposes of this part—

''(1) IN GENERAL.—The term 'qualified Amtrak bond' means any bond issued as part of an issue if—

''(A) 95 percent or more of the proceeds of such issue are—

''(i) to be used for any qualified project, or

''(ii) to be pledged to secure payments and other obligations incurred by the National Railroad Passenger Corporation in connection with any qualified project,

''(B) the bond is issued by the National Railroad Passenger Corporation,

''(C) the issuer—

''(i) designates such bond for purposes of this section,

''(ii) certifies that it meets the State contribution requirement of paragraph (2) with respect to such project, and

''(iii) certifies that it has obtained the written approval of the Secretary of Transportation for such project,

''(D) the term of each bond which is part of such issue does not exceed 20 years, and

''(E) the payment of principal with respect to such bond is guaranteed by the National Railroad Passenger Corporation.

''(2) STATE CONTRIBUTION REQUIREMENT.—

''(A) IN GENERAL.—For purposes of paragraph (1)(C)(ii), the State contribution requirement of this paragraph is met with respect to any qualified project if the National Railroad Passenger Corporation has a written binding commitment from 1 or more States to make matching contributions not later than the date of issuance of the issue of not less than 20 percent of the cost of the qualified project.

''(B) USE OF STATE MATCHING CONTRIBUTIONS.—The matching contributions described in subparagraph (A) with respect to each qualified project shall be used—

''(i) in the case of an amount equal to 20 percent of the cost of such project, to redeem bonds which are a part of the issue with respect to such project, and

''(ii) in the case of any remaining amount, at the election of the National Railroad Passenger Corporation and the contributing State—

''(I) to fund the qualified project, or

''(II) to redeem such bonds, or

''(III) for the purposes of subclauses (I) and (II).

''(3) QUALIFIED PROJECT.—The term 'qualified project' means—

''(A) the acquisition, financing, or refinancing of equipment, rolling stock, and other capital improvements for the northeast rail corridor between Washington, D.C. and Boston, Massachusetts,

''(B) the acquisition, financing, or refinancing of equipment, rolling stock, and other capital improvements for the improvement of train speeds or safety (or both) on the high-speed rail corridors designated under section 104(d)(2) of title 23, United States Code, and

''(C) with respect to not more than 10 percent of the net proceeds of an issue, the acquisition, financing, or refinancing of equipment, rolling stock, and other capital improvements for non-designated high-speed rail corridors, including station rehabilitation, track or signal improvements, or the elimination of grade crossings.

''(4) TEMPORARY PERIOD EXCEPTION.—A bond shall not be treated as failing to meet the requirement of paragraph (1)(A) solely by reason of the fact that the proceeds of the issue of which such bond is a part are invested for a reasonable temporary period (but not more than 36 months) until such proceeds are needed for the purpose for which such issue was issued.

''(e) LIMITATIONS ON AMOUNT OF BONDS DESIGNATED.—

''(1) IN GENERAL.—There is a qualified Amtrak bond limitation for each fiscal year. Such limitation is—

''(A) $1,000,000,000 for each of the fiscal years 2001 through 2010, and

''(B) zero after 2010.

''(2) CARRYOVER OF UNUSED LIMITATION.—If for any fiscal year—

''(A) the limitation amount under paragraph (1), exceeds

''(B) the amount of bonds issued during such year which are designated under subsection (d)(1)(C)(i),

the limitation amount under paragraph (1) for the following fiscal year shall be increased by the amount of such excess.

''(f) OTHER DEFINITIONS.—For purposes of this subpart—

''(1) BOND.—The term 'bond' includes any obligation.

''(2) CREDIT ALLOWANCE DATE.—The term 'credit allowance date' means—

''(A) March 15,

''(B) June 15,

''(C) September 15, and

''(D) December 15.

Such term includes the last day on which the bond is outstanding.

''(3) STATE.—The term 'State' includes the District of Columbia.

''(g) PARTNERSHIP; S CORPORATION; AND OTHER PASS-THRU ENTITIES.—Under regulations prescribed by the Secretary, in the case of a partnership, trust, S corporation, or other pass-thru entity, rules similar to the rules of section 41(g) shall apply with respect to the credit allowable under subsection (a).

''(h) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any qualified Amtrak bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

''(i) USE OF TRUST ACCOUNT.—

''(1) IN GENERAL.—The amount of any matching contribution with respect to a qualified project described in subsection (d)(2)(B)(i) or (d)(2)(B)(ii)(II) and the temporary period investment earnings on proceeds of the issue with respect to such project described in subsection (d)(4), and any earnings thereon, shall be held in a trust account by a trustee independent of the National Railroad Passenger Corporation to be used to redeem bonds which are part of such issue.

''(2) USE OF REMAINING FUNDS IN TRUST ACCOUNT.—Upon the repayment of the principal of all qualified Amtrak bonds issued under this section, any remaining funds in the trust account described in paragraph (1) shall be available to the trustee described in paragraph (1) to meet any remaining obligations under any guaranteed investment contract used to secure earnings sufficient to repay the principal of such bonds. Any remaining balance in such trust account shall be paid to the United States to be used to redeem public-debt obligations.

''(j) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this

section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

''(k) CREDITS MAY BE STRIPPED.—Under regulations prescribed by the Secretary—

''(1) IN GENERAL.—There may be a separation (including at issuance) of the ownership of a qualified Amtrak bond and the entitlement to the credit under this section with respect to such bond. In case of any such separation, the credit under this section shall be allowed to the person who on the credit allowance date holds the instrument evidencing the entitlement to the credit and not to the holder of the bond.

''(2) CERTAIN RULES TO APPLY.—In the case of a separation described in paragraph (1), the rules of section 1286 shall apply to the qualified Amtrak bond as if it were a stripped bond and to the credit under this section as if it were a stripped coupon.

''(l) TREATMENT FOR ESTIMATED TAX PURPOSES.—Solely for purposes of sections 6654 and 6655, the credit allowed by this section to a taxpayer by reason of holding a qualified Amtrak bond on a credit allowance date shall be treated as if it were a payment of estimated tax made by the taxpayer on such date.

''(m) CREDIT MAY BE TRANSFERRED.—Nothing in any law or rule of law shall be construed to limit the transferability of the credit allowed by this section through sale and repurchase agreements.

''(n) REPORTING.—Issuers of qualified Amtrak bonds shall submit reports similar to the reports required under section 149(e).''

(b) REPORTING.—Subsection (d) of section 6049 of the Internal Revenue Code of 1986 (relating to returns regarding payments of interest) is amended by adding at the end the following:

''(8) REPORTING OF CREDIT ON QUALIFIED AMTRAK BONDS.—

''(A) IN GENERAL.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 54(j) and such amounts shall be treated as paid on the credit allowance date (as defined in section 54(f)(2)).

''(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A) of this paragraph, subsection (b)(4) of this section shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i).

''(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.''

(c) CLERICAL AMENDMENTS.—

(1) The table of subparts for part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''Subpart H. Nonrefundable Credit for Holders of Qualified Amtrak Bonds.''

(2) Section 6401(b)(1) of such Code is amended by striking ''and G'' and inserting ''G, and H''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after September 30, 2000.

CLELAND AMENDMENTS NOS. 3859–3860

Mr. REID (for Mr. CLELAND) proposed two amendments to the bill, H.R. 4810, supra; as follows:

AMENDMENT NO. 3859

At the end, add the following:

SEC. ___. EXCLUSION OF UNITED STATES SAVINGS BOND INCOME FROM GROSS INCOME IF USED TO PAY LONG-TERM CARE EXPENSES.

(a) IN GENERAL.—Subsection (a) of section 135 of the Internal Revenue Code of 1986 (relating to income from United States savings bonds used to pay higher education tuition and fees) is amended to read as follows:

''(a) EXCLUSION.—

''(1) GENERAL RULE.—In the case of an individual who pays qualified expenses during the taxable year, no amount shall be includible in gross income by reason of the redemption during such year of any qualified United States savings bond.

''(2) QUALIFIED EXPENSES.—For purposes of this section, the term 'qualified expenses' means—

''(A) qualified higher education expenses, and

''(B) eligible long-term care expenses.''.

(b) LIMITATION WHERE REDEMPTION PROCEEDS EXCEED QUALIFIED EXPENSES.—Section 135(b)(1) of the Internal Revenue Code of 1986 (relating to limitation where redemption proceeds exceed higher education expenses) is amended—

(1) by striking ''higher education'' in subparagraph (A)(ii), and

(2) by striking ''HIGHER EDUCATION'' in the heading thereof.

(c) ELIGIBLE LONG-TERM CARE EXPENSES.—Section 135(c) of the Internal Revenue Code of 1986 (relating to definitions) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

''(4) ELIGIBLE LONG-TERM CARE EXPENSES.—The term 'eligible long-term care expenses' means qualified long-term care expenses (as defined in section 7702B(c)) and eligible long-term care premiums (as defined in section 213(d)(10)) of—

''(A) the taxpayer,

''(B) the taxpayer's spouse, or

''(C) any dependent of the taxpayer with respect to whom the taxpayer is allowed a deduction under section 151.''.

(d) ADJUSTMENTS.—Section 135(d) of the Internal Revenue Code of 1986 (relating to special rules) is amended by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively, and by inserting after paragraph (2) the following new paragraph:

''(3) ELIGIBLE LONG-TERM CARE EXPENSE ADJUSTMENTS.—The amount of eligible long-term care expenses otherwise taken into account under subsection (a) with respect to an individual shall be reduced (before the application of subsection (b)) by the sum of—

''(A) any amount paid for qualified long-term care services (as defined in section 7702B(c)) provided to such individual and described in section 213(d)(11), plus

''(B) any amount received by the taxpayer or the taxpayer's spouse or dependents for the payment of eligible long-term care expenses which is excludable from gross income.''.

(e) COORDINATION WITH DEDUCTIONS.—

(1) Section 213 of the Internal Revenue Code of 1986 (relating to medical, dental, etc., expenses) is amended by adding at the end the following new subsection:

''(f) COORDINATION WITH SAVINGS BOND INCOME USED FOR EXPENSES.—Any expense taken into account in determining the exclusion under section 135 shall not be treated as an expense paid for medical care.''.

(2) Section 162(l) of such Code (relating to special rules for health insurance costs of self-employed individuals) is amended by adding at the end the following new paragraph:

''(6) COORDINATION WITH SAVINGS BOND INCOME USED FOR EXPENSES.—Any expense taken into account in determining the exclusion under section 135 shall not be treated as an expense paid for medical care.''.

(f) CLERICAL AMENDMENTS.—

(1) The heading for section 135 of the Internal Revenue Code of 1986 is amended by inserting ''and long-term care expenses'' after ''fees''.

(2) The item relating to section 135 in the table of sections for part III of subchapter B of chapter 1 of such Code is amended by inserting ''and long-term care expenses'' after ''fees''.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

AMENDMENT NO. 3860

At the end, add the following:

SEC. ___. ENHANCED DEDUCTION FOR CORPORATE DONATIONS OF COMPUTER TECHNOLOGY TO PUBLIC LIBRARIES AND COMMUNITY CENTERS.

(a) EXPANSION OF COMPUTER TECHNOLOGY DONATIONS TO PUBLIC LIBRARIES AND COMMUNITY CENTERS.—

(1) IN GENERAL.—Paragraph (6) of section 170(e) of the Internal Revenue Code of 1986 (relating to special rule for contributions of computer technology and equipment for elementary or secondary school purposes) is amended by striking ''qualified elementary or secondary educational contribution'' each place it occurs in the headings and text and inserting ''qualified computer contribution''.

(2) EXPANSION OF ELIGIBLE DONEES.—Subclause (II) of section 170(e)(6)(B)(i) of such Code (relating to qualified elementary or secondary educational contribution) is amended by striking ''or'' at the end of subclause (I) and by inserting after subclause (II) the following new subclauses:

''(III) a public library (within the meaning of section 213(2)(A) of the Library Services and Technology Act (20 U.S.C. 9122(2)(A)), as in effect on the date of the enactment of the Community Technology Assistance Act, established and maintained by an entity described in subsection (c)(1), or

''(IV) a nonprofit or governmental community center, including any center within which an after-school or employment training program is operated,''.

(b) CONFORMING AMENDMENTS.—

(1) Section 170(e)(6)((B)(iv) of the Internal Revenue Code of 1986 is amended by striking ''in any grades K–12''.

(2) The heading of paragraph (6) of section 170(e) of such Code is amended by striking ''ELEMENTARY OR SECONDARY SCHOOL PURPOSES'' and inserting ''EDUCATIONAL PURPOSES''.

(c) EXTENSION OF DEDUCTION.—Section 170(e)(6)(F) of the Internal Revenue Code of 1986 (relating to termination) is amended by striking ''December 31, 2000'' and inserting ''December 31, 2005''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after December 31, 2000.

GRAMS AMENDMENT NO. 3861

Mr. ROTH (for Mr. GRAMS) proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end of the bill, add the following:

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. REPEAL OF INCREASE IN TAX ON SOCIAL SECURITY BENEFITS.

(a) REPEAL OF INCREASE IN TAX ON SOCIAL SECURITY BENEFITS.—

(1) IN GENERAL.—Paragraph (2) of section 86(a) (relating to social security and tier 1 railroad retirement benefits) is amended by adding at the end the following new flush sentence:

''This paragraph shall not apply to any taxable year beginning after December 31, 2000.''

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after December 31, 2000.

(b) REVENUE OFFSET.—The Secretary of the Treasury shall transfer, for each fiscal year, from the general fund in the Treasury to the Federal Hospital Insurance Trust Fund established under section 1817 of the Social Security Act (42 U.S.C. 1395i) an amount equal to the decrease in revenues to the Treasury for such fiscal year by reason of the amendment made by this section.

ABRAHAM AMENDMENT NO. 3862

Mr. ROTH (for Mr. ABRAHAM) proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end of the Act, add the following:

TITLE VI—MISCELLANEOUS

SEC. 601. SENSE OF THE SENATE REGARDING COVERAGE OF PRESCRIPTION DRUGS UNDER THE MEDICARE PROGRAM.

(a) FINDINGS.—The Senate makes the following findings:

(1) Projected on-budget surpluses for the next 10 years total $1,900,000,000,000, according to the President's mid-session review.

(2) Eliminating the death tax would reduce revenues by $104,000,000,000 over 10 years, leaving on-budget surpluses of $1,800,000,000,000.

(3) The medicare program established under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) faces the dual problem of inadequate coverage of prescription drugs and rapid escalation of program costs with the retirement of the baby boom generation.

(4) The concurrent resolution on the budget for fiscal year 2001 provides $40,000,000,000 for prescription drug coverage in the context of a reform plan that improves the long-term outlook for the medicare program.

(5) The Committee on Finance of the Senate currently is working in a bipartisan manner on reporting legislation that will reform the medicare program and provide a prescription drug benefit.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) on-budget surpluses are sufficient to both repeal the death tax and improve coverage of prescription drugs under the medicare program and Congress should do both this year; and

(2) the Senate should pass adequately funded legislation that can effectively—

(A) expand access to outpatient prescription drugs;

(B) modernize the medicare benefit package;

(C) make structural improvements to improve the long term solvency of the medicare program;

(D) reduce medicare beneficiaries' out-of-pocket prescription drug costs, placing the highest priority on helping the elderly with the greatest need; and

(E) give the elderly access to the same discounted rates on prescription drugs as those available to Americans enrolled in private insurance plans.

MOYNIHAN AMENDMENT NO. 3863

Mr. MOYNIHAN proposed an amendment to the bill, H.R. 4810, supra; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. COMBINED RETURN TO WHICH UNMARRIED RATES APPLY.

(a) IN GENERAL.—Subpart B of part II of subchapter A of chapter 61 of the Internal Revenue Code of 1986 (relating to income tax returns) is amended by inserting after section 6013 the following new section:

"SEC. 6013A. COMBINED RETURN WITH SEPARATE RATES.

"(a) GENERAL RULE.—A husband and wife may make a combined return of income taxes under subtitle A under which—

"(1) a separate taxable income is determined for each spouse by applying the rules provided in this section, and

"(2) the tax imposed by section 1 is the aggregate amount resulting from applying the separate rates set forth in section 1(c) to each such taxable income.

"(b) TREATMENT OF INCOME.—For purposes of this section—

"(1) earned income (within the meaning of section 911(d)), and any income received as a pension or annuity which arises from an employer-employee relationship, shall be treated as the income of the spouse who rendered the services,

"(2) income from property shall be divided between the spouses in accordance with their respective ownership rights in such property (equally in the case of property held jointly by the spouses), and

"(3) any exclusion from income shall be allowable to the spouse with respect to whom the income would be otherwise includible.

"(c) TREATMENT OF DEDUCTIONS.—For purposes of this section—

"(1) except as otherwise provided in this subsection, the deductions described in section 62(a) shall be allowed to the spouse treated as having the income to which such deductions relate,

"(2) the deductions allowable by section 151(b) (relating to personal exemptions for taxpayer and spouse) shall be determined by allocating 1 personal exemption to each spouse,

"(3) section 63 shall be applied as if such spouses were not married, except that the election whether or not to itemize deductions shall be made jointly by both spouses and apply to each, and

"(4) each spouse's share of all other deductions shall be determined by multiplying the aggregate amount thereof by the fraction—

"(A) the numerator of which is such spouse's gross income, and

"(B) the denominator of which is the combined gross incomes of the 2 spouses.

Any fraction determined under paragraph (4) shall be rounded to the nearest percentage point.

"(d) TREATMENT OF CREDITS.—For purposes of this section—

"(1) IN GENERAL.—Except as provided in paragraph (2), each spouse's share of credits allowed to both spouses shall be determined by multiplying the aggregate amount of the credits by the fraction determined under subsection (c)(4).

"(2) EARNED INCOME CREDIT.—The earned income credit under section 32 shall be determined as if each spouse were a separate taxpayer, except that—

"(A) the earned income and the modified adjusted gross income of each spouse shall be determined under the rules of subsections (b), (c), and (e), and

"(B) qualifying children shall be allocated between spouses proportionate to the earned income of each spouse (rounded to the nearest whole number).

"(e) SPECIAL RULES REGARDING INCOME LIMITATIONS.—

"(1) EXCLUSIONS AND DEDUCTIONS.—For purposes of making a determination under subsection (b) or (c), any eligibility limitation with respect to each spouse shall be determined by taking into account the limitation applicable to a single individual.

"(2) CREDITS.—For purposes of making a determination under subsection (d)(1), in no event shall an eligibility limitation for any credit allowable to both spouses be less than twice such limitation applicable to a single individual.

"(f) SPECIAL RULES FOR ALTERNATIVE MINIMUM TAX.—If a husband and wife elect the application of this section—

"(1) the tax imposed by section 55 shall be computed separately for each spouse, and

"(2) for purposes of applying section 55—

"(A) the rules under this section for allocating items of income, deduction, and credit shall apply, and

"(B) the exemption amount for each spouse shall be the amount determined under section 55(d)(1)(B).

"(g) TREATMENT AS JOINT RETURN.—Except as otherwise provided in this section or in the regulations prescribed hereunder, for purposes of this title (other than sections 1 and 63(c)) a combined return under this section shall be treated as a joint return.

"(h) LIMITATIONS.—

"(1) PHASE-IN OF BENEFIT.—

"(A) IN GENERAL.—In the case of any taxable year beginning before January 1, 2004, the tax imposed by section 1 or 55 shall in no event be less than the sum of—

"(i) the tax determined after the application of this section, plus

"(ii) the applicable percentage of the excess of—

"(I) the tax determined without the application of this section, over

"(II) the amount determined under clause (i).

"(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in:	The applicable percentage is:
2002	50
2003	10.

"(2) LIMITATION OF BENEFIT BASED ON COMBINED ADJUSTED GROSS INCOME.—With respect to spouses electing the treatment of this section for any taxable year, the tax under section 1 or 55 shall be increased by an amount which bears the same ratio to the excess of the tax determined without the application of this section over the tax determined after the application of this section as the ratio (but not over 100 percent) of the excess of the combined adjusted gross income of the spouses over $100,000 bears to $50,000.

"(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out this section.".

(b) UNMARRIED RATE MADE APPLICABLE.—So much of subsection (c) of section 1 of the Internal Revenue Code of 1986 as precedes the table is amended to read as follows:

"(c) SEPARATE OR UNMARRIED RETURN RATE.—There is hereby imposed on the taxable income of every individual (other than a married individual (as defined in section 7703) filing a return which is not a combined return under section 6013A, a surviving spouse as defined in section 2(a), or a head of household as defined in section 2(b)) a tax determined in accordance with the following table:".

(c) PENALTY FOR SUBSTANTIAL UNDERSTATEMENT OF INCOME FROM PROPERTY.—Section 6662 of the Internal Revenue Code of 1986 (relating to imposition of accuracy-related penalty) is amended—

(1) by adding at the end of subsection (b) the following:

"(6) Any substantial understatement of income from property under section 6013A.", and

(2) by adding at the end the following new subsection:

''(i) SUBSTANTIAL UNDERSTATEMENT OF INCOME FROM PROPERTY UNDER SECTION 6013A.—For purposes of this section, there is a substantial understatement of income from property under section 6013A if—

''(1) the spouses electing the treatment of such section for any taxable year transfer property from 1 spouse to the other spouse in such year,

''(2) such transfer results in reduced tax liability under such section, and

''(3) the significant purpose of such transfer is the avoidance or evasion of Federal income tax.''.

(d) PROTECTION OF SOCIAL SECURITY AND MEDICARE TRUST FUNDS.—

(1) IN GENERAL.—Nothing in this section shall be construed to alter or amend the Social Security Act (or any regulation promulgated under that Act).

(2) TRANSFERS.—

(A) ESTIMATE OF SECRETARY.—The Secretary of the Treasury shall annually estimate the impact that the enactment of this section has on the income and balances of the trust funds established under sections 201 and 1817 of the Social Security Act (42 U.S.C. 401 and 1395i).

(B) TRANSFER OF FUNDS.—If, under subparagraph (A), the Secretary of the Treasury estimates that the enactment of this section has a negative impact on the income and balances of such trust funds, the Secretary shall transfer, not less frequently than quarterly, from the general revenues of the Federal Government an amount sufficient so as to ensure that the income and balances of such trust funds are not reduced as a result of the enactment of this section.

(e) CLERICAL AMENDMENT.—The table of sections for subpart B of part II of subchapter A of chapter 61 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 6013 the following:

''Sec. 6013A. Combined return with separate rates.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(g) SUNSET PROVISION.—The amendments made by this Act shall not apply to any taxable year beginning after December 31, 2004.

ROTH AMENDMENTS NO. 3864–3865

Mr. ROTH proposed two amendments to the bill, H.R. 4810, supra; as follows:

AMENDMENT NO. 3864

On page 8, strike lines 6 through 14.

AMENDMENT NO. 3865

On page 9, strike lines 23 through 25.

REID AMENDMENT NO. 3866

Mr. REID proposed an amendment to amendment No. 3861 previously proposed by Mr. ROTH (for Mr. GRAMS) to the bill, H.R. 4810, supra; as follows:

AMENDMENT NO. 3866

At the end of the amendment add the following:

FINDINGS

The Grams Social Security amendment includes a general fund transfer to the Medicare HI Trust Fund of $113 billion over the next 10 years.

Without a general fund transfer to the HI trust fund, the Grams Amendment would cause Medicare to become insolvent 5 years earlier than is expected today.

It is appropriate to protect the Medicare program and ensure its quality and viability by transferring monies from the general fund to the Medicare HI trust fund.

The adoption of the Grams Social Security amendment has put a majority of the Senate on record in favor of a general fund transfer to the HI trust fund.

Today, the Medicare HI Trust Fund is expected to become insolvent in 2025.

The $113 billion the Grams amendment transfers to the HI trust fund to maintain Medicare's solvency is the same amount that the President has proposed to extend its solvency to 2030.

SENSE OF THE SENATE

It is the sense of the Senate that the general fund transfer mechanism included in the Grams Social Security amendment should be used to extend the life the Medicare trust fund through 2030, to ensure that Medicare remains a strong health insurance program for our nation's seniors and that its payments to health providers remain adequate.

GRAMS AMENDMENT NO. 3867

Mr. ROTH (for Mr. GRAMS) proposed an amendment to amendment No. 3861 previously proposed by Mr. ROTH (for Mr. GRAMS) to the bill, H.R. 4810, supra; as follows:

Strike all after the first word and add the following:

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. REPEAL OF INCREASE IN TAX ON SOCIAL SECURITY BENEFITS.

(a) REPEAL OF INCREASE IN TAX ON SOCIAL SECURITY BENEFITS.—

(1) IN GENERAL.—Paragraph (2) of section 86(a) (relating to social security and tier 1 railroad retirement benefits) is amended by adding at the end the following new flush sentence:

''This paragraph shall not apply to any taxable year beginning after December 31, 2000.''

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after December 31, 2000.

(b) REVENUE OFFSET.—The Secretary of the Treasury shall transfer, for each fiscal year, from the general fund in the Treasury to the Federal Hospital Insurance Trust Fund established under section 1817 of the Social Security Act (42 U.S.C. 1395i) an amount equal to the decrease in revenues to the Treasury for such fiscal year by reason of the amendment made by this section.

This section shall become effective 1 day after enactment of this Act.

STEVENS AMENDMENT NOS. 3868–3873

Mr. ROTH (for Mr. STEVENS) proposed six amendments to bill, H.R. 4810, supra; as follows:

AMENDMENT NO. 3868

At the appropriate place insert the following new section:

''SEC. . ALASKA EXEMPTION FROM DYEING REQUIREMENTS.

(a) EXCEPT TO DYEING REQUIREMENTS FOR ION EXEMPT DIESEL FUEL AND KEROSENE.—Paragraph (1) section 4082(c) (relating to exception to dyeing requirements) is amended to read as follows:

''(1) removed, entered, or sold in the State of Alaska for ultimate sale or use in such State, and''.

(b) EFFECTIVE DATE.—The amendment made by this section applies with respect to fuel removed, entered, or sold on or after the date of the enactment of this Act.

AMENDMENT NO. 3869

At the appropriate place insert the following new section:

''SEC. . TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.

(a) COMPENSATION LIMIT.—Paragraph (11) of section 415(b) (relating to limitation for defined benefit plans) is amended to read as follows:

''(11) SPECIALITY LIMITATION RULE FOR GOVERNMENTAL AND MULTIEMPLOYER PLANS.—In the case of a governmental plan (as defined in section 414(d)) or a multiemployer plan (as defined in section 414(f)), subparagraph (B) of paragraph (1) shall not apply.''

(b) COMBINING AND AGGREGATION OF PLANS.—

(1) COMBINING OF PLANS.—Subsection (f) of section 415 (relating to combining of plans) is amended by adding at the end the following:

''(3) EXCEPTION FOR MULTIEMPLOYER PLANS.—Notwithstanding paragraph (1) and subsection (g), a multiemployer plan (as defined in section 414(f)) shall not be combined or aggregated with any other plan maintained by an employer for purposes of applying the limitations established in this section. The preceding sentence shall not apply for purposes of applying subsection (b)(1)(A) to a plan which is not a multiemployee plan.''

(2) CONFORMING AMENDMENT FOR AGGREGATION OF PLANS.—Subsection (g) of section 415 (relating to aggregation of plans) is amended by striking ''The Secretary'' and inserting ''Except as provided in subsection (f)(3), the Secretary''.

(c) APPLICATION OF SPECIAL EARLY RETIREMENT RULES.—Section 415(b)(2)(F) (relating to plans maintained by governments and tax-exempt organizations) is amended—

(1) by inserting ''a multiemployer plan (within the meaning of section 414(f)),'' after ''section 414(d),'', and

(2) by striking the heading and inserting:

''(F) SPECIAL EARLY RETIREMENT RULES FOR CERTAIN PLANS—''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2000.'.

AMENDMENT NO. 3870

At the appropriate place insert the following new section:

SEC. . CHARITABLE CONTRIBUTION DEDUCTION FOR CERTAIN EXPENSES INCURRED IN SUPPORT OF NATIVE ALASKAN SUBSISTENCE WHALING.

(a) IN GENERAL.—Section 170 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) EXPENSES PAID BY CERTAIN WHALING CAPTAINS IN SUPPORT OF NATIVE ALASKAN SUBSISTENCE WHALING.—

''(1) IN GENERAL.—In the case of an individual who is recognized by the Alaska Eskimo Whaling Commission as a whaling captain charged with the responsibility of maintaining and carrying out sanctioned whaling activities and who engages in such activities during the taxable year, the amount described in paragraph (2) (to the extent such amount does not exceed $7,500 for the taxable year) shall be treated for purposes of this section as a charitable contribution.

''(2) AMOUNT DESCRIBED.—

''(A) IN GENERAL.—The amount described in this paragraph is the aggregate of the reasonable and necessary whaling expenses paid by the taxpayer during the taxable year in carrying out sanctioned whaling activities.

''(B) WHALING EXPENSES.—For purposes of subparagraph (A), the term 'whaling expenses' includes expenses for—

''(i) the acquisition and maintenance of whaling boats, weapons, and gear used in sanctioned whaling activities,

''(ii) the supplying of food for the crew and other provisions for carrying out such activities, and

''(iii) storage and distribution of the catch from such activities.

''(3) SANCTIONED WHALING ACTIVITIES.—For purposes of this subsection, the term 'sanctioned whaling activities' means subsistence bowhead whale hunting activities conducted pursuant to the management plan of the Alaska Eskimo Whaling Commission.''

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2000.

AMENDMENT NO. 3871

At the appropriate place insert the following new sections:

SEC. . TAX TREATMENT OF ALASKA NATIVE SETTLEMENT TRUSTS.

(a) MODIFICATION OF TAX RATE.—Section 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(i) In lieu of the tax imposed by subsection (c), there is hereby imposed on any electing Settlement Trust (as defined in section 646(e)(2)) a tax at the rate of 15% on its taxable income (as defined in section 646(d)), except that if such trust has a net capital gain for any taxable year, a tax shall be imposed on such net capital gain at the rate of tax that would apply to such net capital gain if the taxpayer were an individual subject to a tax on ordinary income at a rate of 15%.''

(b) SPECIAL RULES RELATING TO TAXATION OF ALASKA NATIVE SETTLEMENT TRUSTS.—Subpart A of Part I of subchapter J of Chapter 1 (relating to general rules for taxation of trusts and estates) is amended by adding at the end the following

''SEC. 646 TAX TREATMENT OF ALASKA NATIVE SETTLEMENT TRUSTS.

''(a) IN GENERAL.—Except as otherwise provided in this section, the provisions of this subchapter and section 1(c) shall apply to all settlement trusts organized under the Alaska Native Claims Settlement Act (''Claims Act'')).

''(b) ONE-TIME ELECTION.

''(1) EFFECT.—In the case of an electing Settlement Trust, then except as set forth in this section—

''(A) section 1(i), and not section 1(e), shall apply to such trust;

''(B) no amount shall be includible in the gross income of any person by reason of a contribution to such trust; and

''(C) the beneficiaries of such trust shall be subject to tax on the distributions by such trust only as set forth in paragraph (2).

''(2) TAX TREATMENT OF DISTRIBUTIONS TO BENEFICIARIES BY ELECTING SETTLEMENT TRUSTS.—

''(A) distributions by an electing Settlement Trust shall be taxed as follows:

''(i) Any distributions by such trust, up to the amount for such taxable year of such trust's taxable income plus any amount of income excluded from the income of the trust by section 103, shall be excluded from the gross income of the recipient beneficiaries;

''(ii) Next, any distributions by such trust during the taxable year that are not excluded from the recipient beneficiaries' income pursuant to clause (i) shall nonetheless be excluded from the gross income of the recipient beneficiaries. The maximum exclusion under this clause shall be equal to the amount during all years in which an election under this subsection has been in effect of such trust's taxable income plus any amount of income excluded from the income of the trust by section 103, reduced by any amounts which have previously been excluded from the recipient beneficiaries's income under this clause or clause (i);

''(iii) The remaining distributions by the Trust during the taxable year which are not excluded from the beneficiaries' income pursuant to clause (i) or (ii) shall be deemed for all purposes of this title to be treated as distributions by the sponsoring Native Corporation during such taxable year upon its stock and taxable to the recipient beneficiaries to the extend provided in Subchapter C of Subtitle A.

''(3) TIME AND METHOD OF ELECTION.—An election under this subsection shall be made—

''(A) before the due date (including extensions) for filing the Settlement Trust's return of tax for the first taxable year of such trust ending after the date of enactment of this subsection, and

''(B) by attaching to such return of tax a statement specifically providing for such election.

''(4) PERIOD ELECTION IN EFFECT.—Except as provided in subsection (c), an election under this subsection—

''(A) shall apply to the 1st taxable year described in subparagraph (3)(A) and all subsequent taxable years, and

''(B) may not be revoked once it is made.

''(c) SPECIAL RULES WHERE TRANSFER RESTRICTIONS MODIFIED.—

''(1) TRANSFER OF BENEFICIAL INTERESTS.—If the beneficial interests in an electing Settlement Trust may at any time be disposed of in a manner which would not be permitted by section 7(h) of the Claims Act (43 U.S.C. 1606(h)) if such beneficial interest were Settlement Common Stock.—

''(A) no election may be made under subsection (b) with respect to such trust, and

''(B) if an election under subsection (b) is in effect as of such time.—

''(i) such election is revoked as of the 1st day of the taxable year following the taxable year in which such disposition is first permitted, and

''(ii) there is hereby imposed on such Alaska Native Settlement Trust in lieu of any other taxes for such taxable year a tax equal to the product of the fair market value of the assets held by such trust as of the close of the taxable year in which such disposition is first permitted and the highest rate of tax under section 1(e) for such taxable year.

''(2) STOCK IN CORPORATION.—If—

''(A) the Settlement Common Stock in the sponsoring Native Corporation may be disposed of in any manner not permitted by section 7(h) of the Claims Act, and

''(B) at any time such disposition is first permitted, the sponsoring Native Corporation transfers assets to such Settlement Trust,

subparagraph (1)(B) shall be applied to such trust in the same manner as if the trust permitted dispositions of beneficial interests in the trust other than would be permitted under section 7(h) of the Claims Act if such beneficial interests were Settlement Common Stock.

''(3) ADMINISTRATIVE PROGRAMS.—For purposes of Subtitle F, the tax imposed by clause (ii) of subparagraph (1)(B) shall be treated as an excise tax with respect to which the deficiency procedures of such subtitle apply.

''(d) TAXABLE INCOME.—For purposes of this Title, the taxable income of an electing Settlement Trust shall be determined under section 641(b) without regard to any deduction under section 651 or 661.

''(e) DEFINITIONS.—For purposes of this section, section 1(i) and section 6041,—

''(1) NATIVE CORPORATION.—The term ''Native Corporation'' has the meaning given such term by section 3(m) of the Claims Act (43 U.S.C. 1602(m))

''(2) SPONSORING NATIVE CORPORATION.—The term ''sponsoring Native Corporation'' means the respective Native Corporation that transferred assets to an electing Settlement Trust.

''(3) SETTLEMENT TRUST.—The term 'Settlement Trust' means a trust which constitutes a settlement trust under section 39 of the Claims Act (43 U.S.C. 1629e).

''(4) ELECTING SETTLEMENT TRUST.—The term 'electing Settlement Trust' means a Settlement Trust that has made the election described in subsection (b).

''(5) SETTLEMENT COMMON STOCK.—The term 'Settlement Common Stock' has the meaning given such term by section 3(p) of the Claims Act (43 U.S.C. 1602(p)).''

(c) REPORTING.—Section 6041 of such Code is amended by adding at the end the following new subsection:

''(f) APPLICATION TO CERTAIN ALASKA NATIVE SETTLEMENT TRUSTS.—In lieu of all other rules (whether imposed by statute, regulation or otherwise) that require a trust to report to its beneficiaries and the Commissioner concerning distributable share information, the rules of this subsection shall apply to an electing Settlement Trust (as defined in section 646(e)(4)). An electing Settlement Trust is not required to include with its return of income or send to its beneficiaries statements that identify the amounts distributed to specific beneficiaries. An electing Settlement Trust shall instead include with its own return of income a statement as to the total amount of its distributions during such taxable year, the amount of such distributions which are excludable from the recipient beneficiaries' gross income pursuant to section 646, and the amount, if any, of its distributions during such year which were deemed to have been made by the sponsoring Native Corporation (as such term is defined in section 646(e)(2)).''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of electing Settlement Trusts, their beneficiaries, and sponsoring Native Corporations ending after the date of the enactment of this Act and to contributions made to electing Settlement Trusts during such year and thereafter.

AMENDMENT NO. 3872

At the appropriate place insert the following new section:

SEC. .—TAX TREATMENT OF PASSENGERS FILLING EMPTY SEATS ON NONCOMMERCIAL AIRPLANES.

(a) Subsection (j) of section 132 of the Internal Revenue Code of 1986 (relating to certain fringe benefits) is amended by adding at the end thereof the following new paragraph:

''(9) SPECIAL RULE FOR CERTAIN NONCOMMERCIAL AIR TRANSPORTATION.—Notwithstanding any other provision of this section, the term ''no-additional-cost service'' includes the value of transportation provided to any person on a noncommercially operated aircraft if—

''(A) such transportation is provided on a flight made in the ordinary course of the trade or business of the taxpayer owning or leasing such aircraft for use in such trade or business,

''(B) the flight on which the transportation is provided would have been made whether or not such person was transported on the flight, and

''(C) no substantial additional cost is incurred in providing such transportation to such person.

For purposes of this paragraph, an aircraft is noncommercially operated if transportation thereon is not provided or made available to the general public by purchase of a ticket or other fare.''

(b) EFFECTIVE DATE.—The amendment made by Section 1 shall take effect on January 1, 2001.

AMENDMENT NO. 3873

At the appropriate place insert the following new section:

"SEC. . INCOME AVERAGING FOR FISHERMEN WITHOUT INCREASING ALTERNATIVE MINIMUM TAX LIABILITY AND FISHERMEN RISK MANAGEMENT ACCOUNTS.

(a)(1) INCOME AVERAGING FOR FISHERMEN WITHOUT INCREASING ALTERNATIVE MINIMUM TAX LIABILITY.—Section 55(c) (defining regular tax) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following:

''(2) COORDINATION WITH INCOME AVERAGING FOR FISHERMEN.—Solely for purposes of this section, section 1301 (relating to averaging of fishing income) shall not apply in computing the regular tax.''.

(2) ALLOWING INCOME AVERAGING FOR FISHERMEN.—

(A) IN GENERAL.—Section 1301(a) is amended by striking ''farming business'' and inserting ''farming business or fishing business,''.

(B) DEFINITION OF ELECTED FARM INCOME.—

(i) IN GENERAL.—Clause (i) of section 1301(b)(1)(A) is amended by inserting ''or fishing business'' before the semicolon.

(ii) CONFORMING AMENDMENT.—Subparagraph (B) of section 1301(b)(1) is amended by inserting ''or fishing business' after ''farming business'' both places it occurs.

(C) DEFINITION OF FISHING BUSINESS.—Section 1301(b) is amended by adding at the end the following new paragraph:

''(4) FISHING BUSINESS.—The term 'fishing business' means the conduct of commercial fishing (as defined in section 3 of the Magnuson-Stevens Fisher Conservation and Management Act (16 U.S.C. 1802, P.L. 94–265 as amended).)''.

(b) FISHERMEN RISK MANAGEMENT ACCOUNTS.—Subpart C of part II of subchapter E of chapter 1 (relating to taxable year for which deductions taken) is amended by inserting after section 468B the following:

"SEC. 468C. FISHING RISK MANAGEMENT ACCOUNTS.

''(a) DEDUCTION ALLOWED.—In the case of an individual engaged in an eligible commercial fishing activity, there shall be allowed as a deduction for any taxable year the amount paid in cash by the taxpayer during the taxable year Fishing Risk Management Account (hereinafter referred to as the 'FisheRMen Account').

''(b) LIMITATION.—

''(1) CONTRIBUTIONS.—The amount which a taxpayer may pay into the FisheRMen Account for any taxable year shall not exceed 20 percent of so much of the taxable income of the taxpayer (determined without regard to this section) which is attributable (determined in the manner applicable under section 1301) to any eligible commercial fishing activity.

''(2) DISTRIBUTIONS.—Distributions from a FisheRMen Account may not be used to purchase, lease, or finance any new fishing vessel, add capacity to any fishery, or otherwise contribute to the overcapitalization of any fishery. The Secretary of Commerce shall implement regulations to enforce this paragraph.

''(c) ELIGIBLE BUSINESSES.—For purposes of this section—

''(1) COMMERCIAL FISHING ACTIVITY.—The term 'commercial fishing activity' has the meaning given the term 'commercial fishing' by section (3) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802, P.L. 94–265 as amended) but only if such fishing is not a passive activity (within the meaning of section 469(c)) of the taxpayer.

''(d) FISHERMEN ACCOUNT.—For purposes of this section—

''(1) IN GENERAL.—The term 'FisheRMen Account' means a trust created or organized in the United States for the exclusive benefit of the taxpayer, but only if the written governing instrument creating the trust meets the following requirements:

''(A) No contribution will be accepted for any taxable year in excess of the amount allowed as a deduction under subsection (a) for such year.

''(B) The trustee is a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section.

''(C) The assets of the trust consist entirely of cash or of obligations which have adequate stated interest (as defined in section 1274(c)(2)) and which pay such interest not less often than annually.

''(D) All income of the trust is distributed currently to the grantor.

''(E) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

''(2) ACCOUNT TAXED AS GRANTOR TRUST.—The grantor of a FisheRMen Account shall be treated for purposes of this title as the owner of such Account and shall be subject to tax thereon in accordance with subpart E of part I of subchapter J of this chapter (relating to grantors and others treated as substantial owners).

''(e) INCLUSION OF AMOUNTS DISTRIBUTED.—

''(1) IN GENERAL.—Except as provided in paragraph (2), there shall be includible in the gross income of the taxpayer for any taxable year—

''(A) Any amount distributed from a FisheRMen Account of the taxpayer during such taxable year, and

''(B) any deemed distribution under

''(i) subsection (f)(1) (relating to deposits not distributed within 5 years),

''(ii) subsection (f)(2) (relating to cessation in eligible commercial fishing activities), and

''(iii) subparagraph (A) or (B) of subsection (f)(3) (relating to prohibited transactions and pledging account as security).

''(2) EXCEPTIONS.—Paragraph (1)(A) shall not apply to—

''(A) any distribution to the extent attributable to income of the Account, and

''(B) the distribution of any contribution paid during a taxable year to a FisheRMen Account to the extent that such contribution exceeds the limitation applicable under subsection (b) if requirements similar to the requirements of section 408(d)(4) are met.

For purposes of subparagraph (A), distributions shall be treated as first attributable to income and then to other amounts.

''(f) SPECIAL RULES.—

''(1) Tax on deposits in account which are not distributed within 5 years.—

''(A) IN GENERAL.—If, at the close of any taxable year, there is a nonqualaified balance in any FisheRMen Account—

''(i) there shall be deemed distributed from such Account during such taxable year an amount equal to such balance, and

''(ii) the taxpayer's tax imposed by this chapter for such taxable year shall be increased by 10 percent of such deemed distribution.

The precedidng sentence shall not apply if an amount equal to such nonqualified balance is distributed from such Account to the taxpayer before the due date (including extensions) for filing the return of tax imposed by this chapter for such year (or, if earlier, the date the taxpayer files such return for such year).

''(B) NONQUALIFIED BALANCE.—For purposes of subparagraph (A), the term 'nonqualified balance' means any balance in the Account on the last day of the taxable year which is attributable to amounts deposited in such Account before the 4th preceding taxable year.

''(C) ORDERING RULE.—For purposes of this paragraph, distributions from a FisheRMen Account (other than distributions of current income) shall be treated as made from deposits in the order in which such deposits were made, beginning with the earliest deposits.

''(2) CESSATION IN ELIGIBLE BUSINESS.—At the close of the first disqualification period after a period for which the taxpayer was engaged in an eligible commercial fishing activity, there shall be deemed distribued from the FisheRMen Account of the taxpayer an amount equal to the balance in such Account (if any) at the close of such disqualification period. For purposes of the preceding sentence, the term 'disqualaification period' means any period of 2 consecutive taxable years for which the taxpayer is not engaged in an eligible commercial fishing activity.

''(3) CERTAIN RULES TO APPLY.—Rules similar to the following rules shall apply for purposes of this section:

''(A) Section 220(f)(8) (relating to treatment on death).

''(B) Section 408(e)(2) (relating to loss of exemption of account where individual engages in prohibited transaction).

''(C) Section 408(e)(4) (relating to effect of pledging account as security).

''(D) Section 408(g) (relating to community property laws).

''(E) Section 408(h) (relating to custodial accounts).

''(4) TIME WHEN PAYMENTS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a payment to a FisheRMen Account on the last day of a taxable year if such payment is made on account of such taxable year and is made on or before the due date (without regard to extensions) for filing the return of tax for such taxable year.

''(5) INDIVIDUAL—For purposes of this section, the term 'individual' shall not include an estate or trust

''(6) DEDUCTION NOT ALLOWED FOR SELF-EMPLOYMENT TAX.—The deduction allowable by reason of subsection (a) shall not be taken into account in determining an individual's net earnings from self-employment (within the meaning of section 1402(a)) for purposes of chapter 2.

''(g) REPORTS.—The trustee of a FisheRMen Account shall make such reports regarding such Account to the Secretary and to the person for whose benefit the Account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such persons at such time and in such manner as may be required by such regulations.'.

''(c) CONFORMITY WITH EXISTING PROVISIONS AND CLERICAL AMENDMENT.—

(1) Subsection (a) of section 4973 (relating to tax on excess contributions to certain tax-favored accounts and annuities) is amended by striking 'or' at the end of paragraph (3), by redesignating paragraph (4) as paragraph (5), and by inserting after paragraph (3) the following:

''(4) a FisheRMen Account (within the meaning of section 468C(d)), or''.

''(2) Section 4973 is amended by adding at the end the following:

''(g) EXCESS CONTRIBUTIONS TO FISHERMEN ACCOUNTS.—For purposes of this section, in the case of a FisheRMen Account (within the meaning of section 468C(d)), the term excess contributions' means the amount by which the amount contributed for the taxable year

to the Account exceeds the amount which may be contributed to the Account under section 468C(b) for such taxable year. For purposes of this subsection, any contribution which is distributed out of the FisheRMen Account in a distribution to which section 468C(e)(2)(B) applies shall be treated as an amount not contributed.'.

''(3) The section heading for section 4973 is amended to read as follows:

''SEC. 4973. EXCESS CONTRIBUTIONS TO CERTAIN ACCOUNTS, ANNUITIES, ETC.''.

''(4) The table of sections for chapter 43, is amended by striking the item relating to section 4973 and inserting the following:

''Sec, 4973. Excess contributions to certain accounts, annuities, etc.''.

(5) TAX ON PROHIBITED TRANSACTIONS.—Subsection (c) of section 4975 (relating to tax on prohibited transactions) is amended by adding at the end the following:

''(6) SPECIAL RULE FOR FISHERMEN ACCOUNTS.—A person for whose benefit a FisheRMen Account (within the meaning of section 468C(d)) is established shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section), if, with respect to such transaction, the account ceases to be a FisheRMen Account by reason of the application of section 469C(f)(3)(A) to such account.'. (2) Paragraph (1) of section 4975(e) is amended by redesignating subparagraphs (E) and (F) and (G), respectively, and by inserting after subparagraph (D) the following:

''(E) a FisheRMen Account described in section 468C(d),''.

(6) FAILURE TO PROVIDE REPORTS ON FISHERMEN ACCOUNTS.—Paragraph (2) of section 6693(a) (relating to failure to provide reports on certain tax-favored accounts or annuities) is amended by redesignating subparagraphs (C) and (D) as subparagraph (D) and (E), respectively,and by inserting after subparagraph (B) the following:

''(C) section 468C(g) (relating to FisheRMen Accounts),''.

''(7) CLERICAL AMENDMENT.—The table of sections for subpart C of part II of subchapter E of chapter 1 is amended by inserting after the item relating to section 468B the following:

''SEC. 468C. FISHING RISK MANAGEMENT ACCOUNTS.''.

''(d) EFFECTIVE DATE.—The changes made by this section shall apply to taxable years beginning after December 31, 2000.

BURNS (AND OTHERS) AMENDMENT NO. 3874

Mr. BURNS (for himself, Mr. ABRAHAM, Mr. HATCH, Mr. CRAIG, Mr. KYL, Mr. BENNETT, Mr. FRIST, and Mr. GRAMM) proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the appropriate place, insert the following:

SEC. . REPEAL OF MODIFICATION OF INSTALLMENT METHOD.

(a) IN GENERAL.—Subsection (a) of section 536 of the Ticket to Work and Work Incentives Improvement Act of 1999 (relating to modification of installment method and repeal of installment method for accrual method taxpayers) is repealed effective with respect to sales and other dispositions occurring on or after the date of enactment of such Act.

(b) APPLICABILITY.—The Internal Revenue Code of 1986 should be applied and administered as if such subsection (and the amendments made by such subsection) had not been enacted.

HOLLINGS AMENDMENT NO. 3875

Mr. REID (for Mr. HOLLINGS) proposed an amendment to the bill, H.R. 4810, supra; as follows:

Strike beginning with ''Marriage Tax Relief Reconciliation Act of 2000'' through the end of the bill.

DODD AMENDMENT NO. 3876

Mr. REID (for Mr. DODD) proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end, add the following:

TITLE II—DEPENDENT CARE TAX CREDIT

SEC. 201. EXPANSION OF DEPENDENT CARE TAX CREDIT.

(a) IN GENERAL.—Paragraph (2) of section 21(a) (relating to expenses for household and dependent care services necessary for gainful employment) is amended to read as follows:

''(2) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (1), the term 'applicable percentage' means 50 percent (40 percent for taxable years beginning after December 31, 2002, and before January 1, 2005) reduced (but not below 20 percent) by 1 percentage point for each $1,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $30,000.''

(b) MINIMUM CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.—Section 21(e) (relating to special rules) is amended by adding at the end the following:

''(11) MINIMUM CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.—Notwithstanding subsection (d), in the case of any taxpayer with one or more qualifying individuals described in subsection (b)(1)(A) under the age of 1 at any time during the taxable year, such taxpayer shall be deemed to have employment-related expenses with respect to not more than 2 of such qualifying individuals in an amount equal to the greater of—

''(A) the amount of employment-related expenses incurred for such qualifying individuals for the taxable year (determined under this section without regard to this paragraph), or

''(B) $41.67 for each month in such taxable year during which each such qualifying individual is under the age of 1.''.

(c) INFLATION ADJUSTMENT OF DOLLAR AMOUNTS.—

(1) Section 21 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

''(f) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2001, the $30,000 amount contained in subsection (a), the $2,400 amount in subsection (c), and the $41.67 amount in subsection (e)(11) shall be increased by an amount equal to—

''(1) such dollar amount, multiplied by

''(2) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 2000' for 'calendar year 1992' in subparagraph (B) thereof.

If the increase determined under the preceding sentence is not a multiple of $50 ($5 in the case of the amount in subsection (e)(11)), such amount shall be rounded to the next lowest multiple thereof.''

(2) Paragraph (2) of section 21(c) is amended by striking ''$4,800'' and inserting ''twice the dollar amount applicable under paragraph (1)''.

(3) Paragraph (2) of section 21(d) is amended by striking ''less than—'' and all that follows through the end of the first sentence and inserting ''less than 1/12 of the amount which applies under subsection (c) to the taxpayer for the taxable year.''

(d) CREDIT ALLOWED BASED ON RESIDENCY IN CERTAIN CASES.—Subsection (e) of section 21 is amended by adding at the end the following new paragraph:

''(12) CREDIT ALLOWED BASED ON RESIDENCY IN CERTAIN CASES.—In the case of a taxpayer—

''(A) who does not satisfy the household maintenance test of subsection (a) for any period, but

''(B) whose principal place of abode for such period is also the principal place of abode of any qualifying individual,

then such taxpayer shall be treated as satisfying such test for such period but the amount of credit allowable under this section with respect to such individual shall be determined by allowing only 1/12 of the limitation under subsection (c) for each full month that the requirement of subparagraph (B) is met.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

TITLE III—EXPANSION OF ADOPTION CREDIT

SEC. 301. EXPANSION OF ADOPTION CREDIT.

(a) SPECIAL NEEDS ADOPTION.—

(1) CREDIT AMOUNT.—Paragraph (1) of section 23(a) (relating to allowance of credit) is amended to read as follows:

''(1) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter—

''(A) in the case of a special needs adoption, $10,000, or

''(B) in the case of any other adoption, the amount of the qualified adoption expenses paid or incurred by the taxpayer.''.

(2) YEAR CREDIT ALLOWED.—Section 23(a)(2) (relating to year credit allowed) is amended by adding at the end the following new flush sentence:

''In the case of a special needs adoption, the credit allowed under paragraph (1) shall be allowed for the taxable year in which the adoption becomes final.''.

(3) DOLLAR LIMITATION.—Section 23(b)(1) is amended—

(A) by striking ''subsection (a)'' and inserting ''subsection (a)(1)(B)'', and

(B) by striking ''($6,000, in the case of a child with special needs)''.

(4) DEFINITION OF SPECIAL NEEDS ADOPTION.—Section 23(d) (relating to definitions) is amended by adding at the end the following new paragraph:

''(4) SPECIAL NEEDS ADOPTION.—The term 'special needs adoption' means the final adoption of an individual during the taxable year who is an eligible child and who is a child with special needs.''.

(5) DEFINITION OF CHILD WITH SPECIAL NEEDS.—Section 23(d)(3) (defining child with special needs) is amended to read as follows:

''(3) CHILD WITH SPECIAL NEEDS.—The term 'child with special needs' means any child if a State has determined that the child's ethnic background, age, membership in a minority or sibling groups, medical condition or physical impairment, or emotional handicap makes some form of adoption assistance necessary.''.

(b) INCREASE IN INCOME LIMITATIONS.—Section 23(b)(2) (relating to income limitation) is amended—

(1) in subparagraph (A)—

(A) by striking ''$75,000'' and inserting ''$63,550 ($105,950 in the case of a joint return)'', and

(B) by striking ''$40,000'' and inserting ''the applicable amount'', and

(2) by adding at the end the following new subparagraph:

''(C) APPLICABLE AMOUNT.—For purposes of subparagraph (A), the applicable amount, with respect to any taxpayer, for the taxable

year shall be an amount equal to the excess of—

''(i) the maximum taxable income amount for the 31 percent bracket under the table contained in section 1 relating to such taxpayer and in effect for the taxable year, over

''(ii) the dollar amount in effect with respect to the taxpayer for the taxable year under subparagraph (A)(i).

''(D) COST-OF-LIVING ADJUSTMENT.—

''(i) IN GENERAL.—In the case of a taxable year beginning after 2001, each dollar amount under subparagraph (A)(i) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2000' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING RULES.—If any amount after adjustment under clause (i) is not a multiple of $1,000, such amount shall be rounded to the next lower multiple of $1,000.''.

(c) ADOPTION CREDIT MADE PERMANENT.—Subclauses (A) and (B) of section 23(d)(2) (defining eligible child) are amended to read as follows:

''(A) who has not attained age 18, or

''(B) who is physically or mentally incapable of caring for himself.''.

(d) CONFORMING AMENDMENTS.—

(1) Section 23(a)(2) is amended by striking ''(1)'' and inserting ''(1)(B)''.

(2) Section 23(b)(3) is amended by striking ''(a)'' each place it appears and inserting ''(a)(1)(B)''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

TITLE IV—INCENTIVES FOR EMPLOYER-PROVIDED CHILD CARE

SEC. 401. ALLOWANCE OF CREDIT FOR EMPLOYER EXPENSES FOR CHILD CARE ASSISTANCE.

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

''SEC. 45D. EMPLOYER-PROVIDED CHILD CARE CREDIT.

''(a) ALLOWANCE OF CREDIT.—For purposes of section 38, the employer-provided child care credit determined under this section for the taxable year is an amount equal to the sum of—

''(1) 25 percent of the qualified child care expenditures, and

''(2) 10 percent of the qualified child care resource and referral expenditures,

of the taxpayer for such taxable year.

''(b) DOLLAR LIMITATION.—The credit allowable under subsection (a) for any taxable year shall not exceed $150,000.

''(c) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED CHILD CARE EXPENDITURE.—

''(A) IN GENERAL.—The term 'qualified child care expenditure' means any amount paid or incurred—

''(i) to acquire, construct, rehabilitate, or expand property—

''(I) which is to be used as part of an eligible qualified child care facility of the taxpayer,

''(II) with respect to which a deduction for depreciation (or amortization in lieu of depreciation) is allowable, and

''(III) which does not constitute part of the principal residence (within the meaning of section 121) of the taxpayer or any employee of the taxpayer,

''(ii) for the operating costs of an eligible qualified child care facility of the taxpayer, including costs related to the training of employees of the child care facility, to scholarship programs, to the providing of differential compensation to employees based on level of child care training, and to expenses associated with achieving accreditation, or

''(iii) under a contract with a qualified child care facility to provide child care services to employees of the taxpayer.

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

''(C) NONDISCRIMINATION.—The term 'qualified child care expenditure' shall not include any amount expended in relation to any child care services unless the providing of such services to employees of the taxpayer does not discriminate in favor of highly compensated employees (within the meaning of section 404(q)).

''(2) QUALIFIED CHILD CARE FACILITY.—

''(A) IN GENERAL.—The term 'qualified child care facility' means a facility—

''(i) the principal use of which is to provide child care assistance, and

''(ii) which meets the requirements of all applicable laws and regulations of the State or local government in which it is located, including, but not limited to, the licensing of the facility as a child care facility.

Clause (i) shall not apply to a facility which is the principal residence (within the meaning of section 121) of the operator of the facility.

''(B) ELIGIBLE QUALIFIED CHILD CARE FACILITY.—A qualified child care facility shall be treated as an eligible qualified child care facility with respect to the taxpayer if—

''(i) enrollment in the facility is open to employees of the taxpayer during the taxable year,

''(ii) the facility is not the principal trade or business of the taxpayer, and

''(iii) at least 30 percent of the enrollees of such facility are dependents of employees of the taxpayer.

''(C) APPLICATION OF SUBPARAGRAPH (B).—In the case of a new facility, the facility shall be treated as meeting the requirement of subparagraph (B)(iii) if not later than 2 years after placing such facility in service at least 30 percent of the enrollees of such facility are dependents of employees of the taxpayer.

''(3) QUALIFIED CHILD CARE RESOURCE AND REFERRAL EXPENDITURE.—

''(A) IN GENERAL.—The term 'qualified child care resource and referral expenditure' means any amount paid or incurred under a contract to provide child care resource and referral services to employees of the taxpayer.

''(B) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term 'qualified child care resource and referral expenditure' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

''(C) NONDISCRIMINATION.—The term 'qualified child care resource and referral expenditure' shall not include any amount expended in relation to any child care resource and referral services unless the providing of such services to employees of the taxpayer does not discriminate in favor of highly compensated employees (within the meaning of section 404(q)).

''(d) RECAPTURE OF ACQUISITION AND CONSTRUCTION CREDIT.—

''(1) IN GENERAL.—If, as of the close of any taxable year, there is a recapture event with respect to any eligible qualified child care facility of the taxpayer, then the tax of the taxpayer under this chapter for such taxable year shall be increased by an amount equal to the product of—

''(A) the applicable recapture percentage, and

''(B) the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted if the qualified child care expenditures of the taxpayer described in subsection (c)(1)(A) with respect to such facility had been zero.

''(2) APPLICABLE RECAPTURE PERCENTAGE.—

''(A) IN GENERAL.—For purposes of this subsection, the applicable recapture percentage shall be determined from the following table:

''If the recapture event occurs in:	The applicable recapture percentage is:
Year 1	100
Year 2	80
Year 3	60
Year 4	40
Year 5	20
Years 6 and thereafter	0.

''(B) YEARS.—For purposes of subparagraph (A), year 1 shall begin on the first day of the taxable year in which the eligible qualified child care facility is placed in service by the taxpayer.

''(3) RECAPTURE EVENT DEFINED.—For purposes of this subsection, the term 'recapture event' means—

''(A) CESSATION OF OPERATION.—The cessation of the operation of the facility as an eligible qualified child care facility.

''(B) CHANGE IN OWNERSHIP.—

''(i) IN GENERAL.—Except as provided in clause (ii), the disposition of a taxpayer's interest in an eligible qualified child care facility with respect to which the credit described in subsection (a) was allowable.

''(ii) AGREEMENT TO ASSUME RECAPTURE LIABILITY.—Clause (i) shall not apply if the person acquiring such interest in the facility agrees in writing to assume the recapture liability of the person disposing of such interest in effect immediately before such disposition. In the event of such an assumption, the person acquiring the interest in the facility shall be treated as the taxpayer for purposes of assessing any recapture liability (computed as if there had been no change in ownership).

''(4) SPECIAL RULES.—

''(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

''(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under subpart A, B, or D of this part.

''(C) NO RECAPTURE BY REASON OF CASUALTY LOSS.—The increase in tax under this subsection shall not apply to a cessation of operation of the facility as a qualified child care facility by reason of a casualty loss to the extent such loss is restored by reconstruction or replacement within a reasonable period established by the Secretary.

''(e) SPECIAL RULES.—For purposes of this section—

''(1) AGGREGATION RULES.—All persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single taxpayer.

''(2) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

''(3) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

''(f) NO DOUBLE BENEFIT.—

''(1) REDUCTION IN BASIS.—For purposes of this subtitle—

''(A) IN GENERAL.—If a credit is determined under this section with respect to any property by reason of expenditures described in subsection (c)(1)(A), the basis of such property shall be reduced by the amount of the credit so determined.

''(B) CERTAIN DISPOSITIONS.—If during any taxable year there is a recapture amount determined with respect to any property the basis of which was reduced under subparagraph (A), the basis of such property (immediately before the event resulting in such recapture) shall be increased by an amount equal to such recapture amount. For purposes of the preceding sentence, the term 'recapture amount' means any increase in tax (or adjustment in carrybacks or carryovers) determined under subsection (d).

''(2) OTHER DEDUCTIONS AND CREDITS.—No deduction or credit shall be allowed under any other provision of this chapter with respect to the amount of the credit determined under this section.''

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) is amended—

(A) by striking out ''plus'' at the end of paragraph (11),

(B) by striking out the period at the end of paragraph (12), and inserting a comma and ''plus'', and

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

''(13) the employer-provided child care credit determined under section 45D.''.

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''Sec. 45D. Employer-provided child care credit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

DORGAN AMENDMENT NO. 3877

Mr. DORGAN proposed an amendment to the bill, H.R. 4810, supra; as follows:

At the end, add the following:

SEC. 7. TREATMENT OF CONSERVATION RESERVE PROGRAM PAYMENTS AS RENTALS FROM REAL ESTATE.

(a) IN GENERAL.—Section 1402(a)(1) of the Internal Revenue Code of 1986 (defining net earnings from self-employment) is amended by inserting ''and including payments under section 1233(2) of the Food Security Act of 1985 (16 U.S.C. 3833(2))'' after ''crop shares''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made before, on, or after the date of the enactment of this Act.

SEC. 8. EXPANSION OF EXPENSING TREATMENT FOR SMALL BUSINESSES.

(a) ACCELERATION OF INCREASE IN DOLLAR LIMIT.—Section 179(b)(1) of the Internal Revenue Code of 1986 (relating to dollar limits on expensing treatment) is amended to read as follows:

''(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $25,000.''

(b) EXPENSING AVAILABLE FOR ALL TANGIBLE DEPRECIABLE PROPERTY.—Section 179(d)(1) of the Internal Revenue Code of 1986 (defining section 179 property) is amended by striking ''which is section 1245 property (as defined in section 1245(a)(3)) and''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 9. EXCLUSION OF GAIN FROM SALE OF CERTAIN FARMLAND.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by adding after section 121 the following new section:

''SEC. 121A. EXCLUSION OF GAIN FROM SALE OF QUALIFIED FARM PROPERTY.

''(a) EXCLUSION.—In the case of a natural person, gross income shall not include gain from the sale or exchange of qualified farm property.

''(b) LIMITATION ON AMOUNT OF EXCLUSION.—

''(1) IN GENERAL.—The amount of gain excluded from gross income under subsection (a) with respect to any taxable year shall not exceed $500,000 ($250,000 in the case of a married individual filing a separate return), reduced by the aggregate amount of gain excluded under subsection (a) for all preceding taxable years.

''(2) SPECIAL RULE FOR JOINT RETURNS.—The amount of the exclusion under subsection (a) on a joint return for any taxable year shall be allocated equally between the spouses for purposes of applying the limitation under paragraph (1) for any succeeding taxable year.

''(c) QUALIFIED FARM PROPERTY.—

''(1) QUALIFIED FARM PROPERTY.—For purposes of this section, the term 'qualified farm property' means real property located in the United States if, during periods aggregating 3 years or more of the 5-year period ending on the date of the sale or exchange of such real property—

''(A) such real property was used as a farm for farming purposes by the taxpayer or a member of the family of the taxpayer, and

''(B) there was material participation by the taxpayer (or such a member) in the operation of the farm.

''(2) DEFINITIONS.—For purposes of this subsection, the terms 'member of the family', 'farm', and 'farming purposes' have the respective meanings given such terms by paragraphs (2), (4), and (5) of section 2032A(e).

''(3) SPECIAL RULES.—For purposes of this section, rules similar to the rules of paragraphs (4) and (5) of section 2032A(b) and paragraphs (3) and (6) of section 2032A(e) shall apply.

''(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsection (e) and subsection (f) of section 121 shall apply.''

(b) CONFORMING AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by adding after the item relating to section 121 the following new item:

''Sec. 121A. Exclusion of gain from sale of qualified farm property.''

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to any sale or exchange on or after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 10. FULL DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Section 162(l)(1) of the Internal Revenue Code of 1986 (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, the taxpayer's spouse, and dependents.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

COMPETITIVE MARKET SUPERVISION ACT

COLLINS AMENDMENT NO. 3878

(Ordered to be referred to the Committee on Banking, Housing, and Urban Affairs.)

Ms. COLLINS submitted an amendment intended to be proposed by her to the bill (S. 2107) to amend the Securities Act of 1933 and the Securities Exchange Act of 1934 to reduce securities fees in excess of those required to fund the operations of the Securities and Exchange Commission, to adjust compensation provisions for employees of the Commission, and for other purposes; as follows:

At the appropriate place, insert the following (and amend the table of contents accordingly):

SEC. ___. MICROCAP FRAUD PREVENTION.

(a) AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934.—Section 15(b)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)(4)) is amended—

(1) by striking subparagraph (F) and inserting the following:

''(F) is subject to any order of the Commission barring or suspending the right of the person to be associated with a broker or dealer;'';

(2) in subparagraph (G)—

(A) in clause (i), by striking ''has omitted'' and all that follows through the semicolon and inserting ''omitted to state in any such application, report, or proceeding any material fact that is required to be stated therein;'';

(B) in clause (ii)—

(i) by striking ''transactions in securities,'' and inserting ''securities, banking, insurance,''; and

(ii) by adding ''or'' at the end; and

(C) in clause (iii)—

(i) by inserting ''other'' after ''violation by any'';

(ii) by striking ''empowering a foreign financial regulatory authority regarding transactions in securities,'' and inserting ''regarding securities, banking, insurance,'';

(iii) by striking ''has been found, by a foreign financial regulatory authority,''; and

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

(3) by adding at the end the following:

''(H) is subject to any order of a State securities commission (or any agency or office performing like functions), State authority that supervises or examines financial institutions, State insurance commission (or any agency or office performing like functions), or an appropriate Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act) that—

''(i) bars such person from association with an entity regulated by such commission, authority, agency, or officer, or from engaging in the business of securities, insurance, or banking; or

''(ii) constitutes a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct.''.

(b) AMENDMENTS TO THE INVESTMENT ADVISERS ACT OF 1940.—Section 203 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3) is amended—

(1) in subsection (e), by striking paragraphs (7) and (8) and inserting the following:

''(7) is subject to any order of the Commission barring or suspending the right of the person to be associated with an investment adviser;

''(8) has been found by a foreign financial regulatory authority to have—

''(A) made or caused to be made in any application for registration or report required to be filed with, or in any proceeding before, that foreign financial regulatory authority, any statement that was, at the time and in light of the circumstances under which it was made, false or misleading with respect to any material fact, or omitted to state in any application or report filed with, or in any proceeding before, that foreign financial regulatory authority any material fact that is required to be stated in the application, report, or proceeding;

''(B) violated any foreign statute or regulation regarding securities, banking, insurance, or contracts of sale of a commodity for future delivery traded on or subject to the rules of a contract market or any board of trade; or

''(C) aided, abetted, counseled, commanded, induced, or procured the violation by any other person of any foreign statute or regulation regarding securities, banking, insurance, or contracts of sale of a commodity for future delivery traded on or subject to the rules of a contract market or any board of trade, or failed reasonably to supervise, with a view to preventing violations of any such statute or regulation, another person who commits such a violation, if the other person is subject to its supervision; or

''(9) is subject to any order of a State securities commission (or any agency or office performing like functions), State authority that supervises or examines financial institutions, State insurance commission (or any agency or office performing like functions), or an appropriate Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act) that—

''(A) bars such investment adviser or person from association with an entity regulated by such commission, authority, agency, or officer, or from engaging in the business of securities, insurance, or banking; or

''(B) constitutes a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct.''; and

(2) in subsection (f)—

(A) by striking ''(6), or (8)'' and inserting ''(6), (8), or (9)''; and

(B) by striking ''paragraph (2)'' and inserting ''paragraph (2) or (3)''.

(c) AMENDMENTS TO THE INVESTMENT COMPANY ACT OF 1940.—Section 9(b) of the Investment Company Act of 1940 (15 U.S.C. 80a–9(b)) is amended—

(1) in paragraph (4), by striking subparagraphs (A) through (C) and inserting the following:

''(A) made or caused to be made in any application for registration or report required to be filed with, or in any proceeding before, that foreign financial regulatory authority, any statement that was, at the time and in light of the circumstances under which it was made, false or misleading with respect to any material fact, or omitted to state in any application or report filed with, or in any proceeding before, that foreign financial regulatory authority any material fact that is required to be stated in the application, report, or proceeding;

''(B) violated any foreign statute or regulation regarding securities, banking, insurance, or contracts of sale of a commodity for future delivery traded on or subject to the rules of a contract market or any board of trade; or

''(C) aided, abetted, counseled, commanded, induced, or procured the violation by any other person of any foreign statute or regulation regarding securities, banking, insurance, or contracts of sale of a commodity for future delivery traded on or subject to the rules of a contract market or any board of trade;'';

(2) in paragraph (5), by striking ''or'' at the end; and

(3) in paragraph (6), by striking the period at the end and inserting the following: ''; or

''(7) is subject to any order of a State securities commission (or any agency or office performing like functions), State authority that supervises or examines financial institutions, State insurance commission (or any agency or office performing like functions), or an appropriate Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act) that—

''(A) bars such person from association with an entity regulated by such commission, authority, agency, or officer, or from engaging in the business of securities, insurance, or banking; or

''(B) constitutes a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct.''.

(d) CONFORMING AMENDMENTS.—

(1) MUNICIPAL SECURITIES DEALERS.—Section 15B(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–4(c)) is amended—

(A) in paragraph (2), by striking ''act or omission'' and all that follows through the period and inserting ''act, or is subject to an order or finding, enumerated in subparagraph (A), (D), (E), (G), or (H) of section 15(b)(4), has been convicted of any offense specified in section 15(b)(4)(B) within 10 years of the commencement of the proceedings under this paragraph, or is enjoined from any action, conduct, or practice specified in section 15(b)(4)(C).''; and

(B) in paragraph (4), in the first sentence, by striking ''any act or omission'' and all that follows through the period and inserting ''or omitted any act, or is subject to an order or finding, enumerated in subparagraph (A), (D), (E), (G), or (H) of section 15(b)(4), has been convicted of any offense specified in section 15(b)(4)(B) within 10 years of the commencement of the proceedings under this paragraph, or is enjoined from any action, conduct, or practice specified in section 15(b)(4)(C).''.

(2) GOVERNMENT SECURITIES BROKERS AND DEALERS.—Section 15C(c)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–5(c)(1)) is amended—

(A) in subparagraph (A), by striking ''or omission enumerated in subparagraph (A), (D), (E), or (G) of paragraph (4) of section 15(b) of this title'' and inserting '', or is subject to an order or finding, enumerated in subparagraph (A), (D), (E), (G), or (H) of section 15(b)(4)''; and

(B) in subparagraph (C), by striking ''or omission enumerated in subparagraph (A), (D), (E), or (G) of paragraph (4) of section 15(b) of this title'' and inserting '', or is subject to an order or finding, enumerated in subparagraph (A), (D), (E), (G), or (H) of section 15(b)(4)''.

(3) CLEARING AGENCIES.—Section 17A(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78q–1(c)) is amended—

(A) in paragraph (3)(A), by striking ''any act enumerated in subparagraph (A), (D), (E), or (G) of paragraph (4) of section 15(b) of this title'' and inserting ''any act, or is subject to an order or finding, enumerated in subparagraph (A), (D), (E), (G), or (H) of section 15(b)(4)''; and

(B) in paragraph (4)(C), in the first sentence, by striking ''any act enumerated in subparagraph (A), (D), (E), or (G) of paragraph (4) of section 15(b) of this title'' and inserting ''any act, or is subject to an order or finding, enumerated in subparagraph (A), (D), (E), (G), or (H) of section 15(b)(4)''.

(4) STATUTORY DISQUALIFICATIONS.—Section 3(a)(39) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(39)) is amended—

(A) in subparagraph (B)(i), by striking ''order to'' and inserting ''order of''; and

(B) in subparagraph (F)—

(i) by striking ''any act enumerated in subparagraph (D), (E), or (G) of paragraph (4) of section 15(b) of this title'' and inserting ''any act, or is subject to an order or finding, enumerated in subparagraph (D), (E), (G), or (H) of section 15(b)(4)'';

(ii) by striking ''subparagraph (B) of such paragraph (4)'' and inserting ''section 15(b)(4)(B)''; and

(iii) by striking ''subparagraph (C) of such paragraph (4)'' and inserting ''section 15(b)(4)(C)''.

(e) BROADENING OF PENNY STOCK BAR.—Section 15(b)(6) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)(6)) is amended—

(1) in subparagraph (A)—

(A) by striking ''of any penny stock'' and inserting ''of any noncovered security'';

(B) by striking ''of penny stock'' and inserting ''of any noncovered security''; and

(C) in clause (i), by striking ''or omission enumerated in subparagraph (A), (D), (E), or (G) of paragraph (4) of this subsection'' and inserting '', or is subject to an order or finding, enumerated in subparagraph (A), (D), (E), (G), or (H) of paragraph (4)'';

(2) in subparagraph (B)—

(A) by striking ''an offering of penny stock'' each place it appears and inserting ''any securities offering''; and

(B) in clause (iii), by striking ''such a person'' and inserting ''a person as to whom an order under section 21(d)(5) or subparagraph (A) of this paragraph is in effect''; and

(3) by striking subparagraph (C) and inserting the following:

''(C) For purposes of this paragraph—

''(i) the term 'noncovered security' means any security other than those described in paragraphs (1) and (2) of section 18(b) of the Securities Act of 1933; and

''(ii) the term 'participation in an offering of noncovered securities'—

''(I) means acting as a promoter, finder, consultant, or agent, or engaging in activities with a broker, dealer, or issuer for purposes of the issuance of or trading in any noncovered security, or inducing or attempting to induce the purchase or sale of any noncovered security;

''(II) includes other activities that the Commission specifies by rule or regulation; and

''(III) excludes any person or class of persons, in whole or in part, conditionally or unconditionally, that the Commission, by rule, regulation, or order, may exclude.''.

(f) COURT AUTHORITY TO PROHIBIT OFFERINGS OF NONCOVERED SECURITIES.—Section 21(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(d)) is amended by adding at the end the following:

''(5) COURT AUTHORITY TO PROHIBIT PERSONS FROM PARTICIPATING IN OFFERING OF NONCOVERED SECURITIES.—

''(A) IN GENERAL.—In any proceeding under paragraph (1), the court may prohibit, conditionally or unconditionally, and permanently or for such period of time as it shall determine, any person that violated section 10(b) or the rules or regulations issued thereunder in connection with any transaction in any noncovered security from participating in an offering of a noncovered security.

''(B) DEFINITIONS.—For purposes of this paragraph—

''(i) the term 'noncovered security' means any security other than those described in paragraphs (1) and (2) of section 18(b) of the Securities Act of 1933; and

''(ii) the term 'participation in an offering of noncovered securities'—

''(I) means acting as a promoter, finder, consultant, or agent, or engaging in activities with a broker, dealer, or issuer for purposes of the issuance of or trading in any noncovered security, or inducing or attempting to induce the purchase or sale of any noncovered security;

''(II) includes other activities that the Commission specifies by rule or regulation; and

''(III) excludes any person or class of persons, in whole or in part, conditionally or unconditionally, that the Commission, by rule, regulation, or order, may exempt.''.

(g) BROADENING OF OFFICER AND DIRECTOR BAR.—Section 21(d)(2) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(d)(2)) is amended—

(1) by striking ''of this title or that'' and inserting '', that''; and

(2) by striking ''of this title if'' and inserting '', or the securities of which are quoted in any quotation medium, if''.

(h) VIOLATIONS OF COURT ORDERED BARS.—

(1) IN GENERAL.—Section 21 of the Securities Exchange Act of 1934 (15 U.S.C. 78u) is amended by adding at the end the following:

''(i) BAR ON PARTICIPATION.—It shall be unlawful for any person, against which an order under paragraph (2) or (5) of subsection (d) is in effect, to serve as officer, director, or participant in any offering involving a noncovered security (as defined in subsection (d)(5)(B)) in contravention of such order.''.

(2) CONFORMING AMENDMENT.—Section 21(d)(3)(D) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(d)(3)(D)) is amended by inserting ''or relating to a violation of subsection (i) of this section,'' before ''each separate''.

MARRIAGE PENALTY TAX RELIEF ACT

WELLSTONE AMENDMENTS NOS. 3879–3880

Mr. REID (for Mr. WELLSTONE) proposed two amendments to the bill, H.R. 4810, supra; as follows:

AMENDMENT NO. 3879

At the end, add the following:

SEC. ___. SENSE OF THE SENATE REGARDING REDUCTIONS IN MEDICARE PAYMENTS RESULTING FROM THE BALANCED BUDGET ACT.

(a) FINDINGS.—The Senate finds the following:

(1) Since its passage, the Balanced Budget Act of 1997 (Public Law 105–133; 111 Stat. 251) has drastically cut payments under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) in the areas of hospital services, home health sevices, skilled nursing facility services, and other services.

(2) While the reductions were originally estimated at around $100,000,000,000 over 5 years, recent figures put the actual cuts in payments under the medicare program at over $200,000,000,000.

(3) These cuts are not without consequence, and have caused medicare beneficiaries with medically complex needs to face increased difficulty in accessing skilled nursing care. Furthermore, in a recent study on home health care, nearly 70 percent of hospital discharge planners surveyed reported a greater difficulty obtaining home health services for medicare beneficiaries as a result of the Balanced Budget Act of 1997.

(4) In the area of hospital care, a 4 percentage point drop in rural hospitals' inpatient margins continues a dangerous trend that threatens access to health care in rural America.

(5) With passage of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A–372), as enacted into law by section 1000(a)(6) of Public Law 106–113, Congress and the President took positive steps toward fixing some of the Balanced Budget Act of 1997's unintended consequences, but this relief was limited to just 10 percent of the actual cuts in payments to provider caused by the Balanced Budget Act of 1997.

(6) Expeditious action is required to provide relief to medicare beneficiaries and health care providers.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) by the end of the 106th Congress, Congress should revisit and restore a substantial portion of the reductions in payments under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) to providers caused by enactment of the Balanced Budget Act of 1997 (Public Law 105–133; 111 Stat. 251); and

(2) if Congress fails to restore a substantial portion of the reductions in payments under the medicare program to health care providers caused by enactment of the Balanced Budget Act of 1997, then Congress should pass legislation that directs the Secretary of Health and Human Services to administer title XVIII of the Social Security Act as if a 1-year moratorium for fiscal year 2001 were placed on all reductions in payments to health care providers that were a result of the Balanced Budget Act of 1997.

AMENDMENT NO. 3880

At the end, add the following:

SEC. ___. SENSE OF THE SENATE REGARDING REDUCTIONS IN MEDICARE PAYMENTS RESULTING FROM THE BALANCED BUDGET ACT OF 1997.

(a) FINDINGS.—The Senate finds the following:

(1) Since its passage, the Balanced Budget Act of 1997 (Public Law 105–133; 111 Stat. 251) has drastically cut payments under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) in the areas of hospital services, home health sevices, skilled nursing facility services, and other services.

(2) While the reductions were originally estimated at around $100,000,000,000 over 5 years, recent figures put the actual cuts in payments under the medicare program at over $200,000,000,000.

(3) These cuts are not without consequence, and have caused medicare beneficiaries with medically complex needs to face increased difficulty in accessing skilled nursing care. Furthermore, in a recent study on home health care, nearly 70 percent of hospital discharge planners surveyed reported a greater difficulty obtaining home health services for medicare beneficiaries as a result of the Balanced Budget Act of 1997.

(4) In the area of hospital care, a 4 percentage point drop in rural hospitals' inpatient margins continues a dangerous trend that threatens access to health care in rural America.

(5) With passage of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A–372), as enacted into law by section 1000(a)(6) of Public Law 106–113, Congress and the President took positive steps toward fixing some of the Balanced Budget Act of 1997's unintended consequences, but this relief was limited to just 10 percent of the actual cuts in payments to provider caused by the Balanced Budget Act of 1997.

(6) Expeditious action is required to provide relief to medicare beneficiaries and health care providers.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that by the end of the 106th Congress, Congress should revisit and restore a substantial portion of the reductions in payments under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) to providers caused by enactment of the Balanced Budget Act of 1997 (Public Law 105–133; 111 Stat. 251).

LOTT AMENDMENTS NOS. 3881–3882

Mr. NICKLES (for Mr. LOTT) proposed two amendments to the bill, H.R. 4810, supra; as follows:

AMENDMENT NO. 3881

Strike all after the first word and insert:

1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Marriage Tax Relief Reconciliation Act of 2000''.

(b) SECTION 15 NOT TO APPLY.—No amendment made by this Act shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) of the Internal Revenue Code of 1986 (relating to standard deduction) is amended—

(1) by striking ''$5,000'' in subparagraph (A) and inserting ''200 percent of the dollar amount in effect under subparagraph (C) for the taxable year'';

(2) by adding ''or'' at the end of subparagraph (B);

(3) by striking ''in the case of'' and all that follows in subparagraph (C) and inserting ''in any other case.''; and

(4) by striking subparagraph (D).

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6) of such Code is amended by striking ''(other than with'' and all that follows through ''shall be applied'' and inserting ''(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied''.

(2) Paragraph (4) of section 63(c) of such Code is amended by adding at the end the following flush sentence:

''The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 3. PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT AND 28-PERCENT RATE BRACKETS.

(a) IN GENERAL.—Subsection (f) of section 1 of the Internal Revenue Code of 1986 (relating to adjustments in tax tables so that inflation will not result in tax increases) is amended by adding at the end the following new paragraph:

''(8) PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT AND 28-PERCENT RATE BRACKETS.—

''(A) IN GENERAL.—With respect to taxable years beginning after December 31, 2001, in prescribing the tables under paragraph (1)—

''(i) the maximum taxable income amount in the 15-percent rate bracket, the minimum and maximum taxable income amounts in the 28-percent rate bracket, and the minimum taxable income amount in the 31-percent rate bracket in the table contained in subsection (a) shall be the applicable percentage of the comparable taxable income amounts in the table contained in subsection (c) (after any other adjustment under this subsection), and

''(ii) the comparable taxable income amounts in the table contained in subsection (d) shall be ½ of the amounts determined under clause (i).

''(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable

percentage shall be determined in accordance with the following table:

"For taxable years beginning in calendar year—	The applicable percentage is—
2002	170.3
2003	173.8
2004	180.0
2005	183.2
2006	185.0
2007 and thereafter	200.0.

''(C) ROUNDING.—If any amount determined under subparagraph (A)(i) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.''.

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (A) of section 1(f)(2) of such Code is amended by inserting ''except as provided in paragraph (8),'' before ''by increasing''.

(2) The heading for subsection (f) of section 1 of such Code is amended by inserting ''PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT AND 28-PERCENT RATE BRACKETS;'' before ''ADJUSTMENTS''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 4. MARRIAGE PENALTY RELIEF FOR EARNED INCOME CREDIT.

(a) IN GENERAL.—Paragraph (2) of section 32(b) of the Internal Revenue Code of 1986 (relating to percentages and amounts) is amended—

(1) by striking ''AMOUNTS.—The earned'' and inserting ''AMOUNTS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the earned''; and

(2) by adding at the end the following new subparagraph:

''(B) JOINT RETURNS.—In the case of a joint return, the phaseout amount determined under subparagraph (A) shall be increased by $2,500.''.

(b) INFLATION ADJUSTMENT.—Paragraph (1)(B) of section 32(j) of such Code (relating to inflation adjustments) is amended to read as follows:

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined—

''(i) in the case of amounts in subsections (b)(2)(A) and (i)(1), by substituting 'calendar year 1995' for 'calendar year 1992' in subparagraph (B) thereof, and

''(ii) in the case of the $2,500 amount in subsection (b)(2)(B), by substituting 'calendar year 2000' for 'calendar year 1992' in subparagraph (B) of such section 1.''.

(c) ROUNDING.—Section 32(j)(2)(A) of such Code (relating to rounding) is amended by striking ''subsection (b)(2)'' and inserting ''subsection (b)(2)(A) (after being increased under subparagraph (B) thereof)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 5. PRESERVE FAMILY TAX CREDITS FROM THE ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Subsection (a) of section 26 of the Internal Revenue Code of 1986 (relating to limitation based on tax liability; definition of tax liability) is amended to read as follows:

''(a) LIMITATION BASED ON AMOUNT OF TAX.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the sum of—

''(1) the taxpayer's regular tax liability for the taxable year reduced by the foreign tax credit allowable under section 27(a), and

''(2) the tax imposed for the taxable year by section 55(a).''.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 24 of such Code is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(2) Section 32 of such Code is amended by striking subsection (h).

(3) Section 904 of such Code is amended by striking subsection (h) and by redesignating subsections (i), (j), and (k) as subsections (h), (i), and (j), respectively.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 6. COMPLIANCE WITH BUDGET ACT.

(a) IN GENERAL.—Except as provided in subsection (b), all amendments made by this Act which are in effect on September 30, 2005, shall cease to apply as of the close of September 30, 2005.

(b) SUNSET FOR CERTAIN PROVISIONS ABSENT SUBSEQUENT LEGISLATION.—The amendments made by sections 2, 3, 4, and 5 of this Act shall not apply to any taxable year beginning after December 31, 2004.

AMENDMENT NO. 3882

Strike all after the first word and insert:

1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Marriage Tax Relief Reconciliation Act of 2000''.

(b) SECTION 15 NOT TO APPLY.—No amendment made by this Act shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

SEC. 2. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) of the Internal Revenue Code of 1986 (relating to standard deduction) is amended—

(1) by striking ''$5,000'' in subparagraph (A) and inserting ''200 percent of the dollar amount in effect under subparagraph (C) for the taxable year'';

(2) by adding ''or'' at the end of subparagraph (B);

(3) by striking ''in the case of'' and all that follows in subparagraph (C) and inserting ''in any other case.''; and

(4) by striking subparagraph (D).

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6) of such Code is amended by striking ''(other than with'' and all that follows through ''shall be applied'' and inserting ''(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied''.

(2) Paragraph (4) of section 63(c) of such Code is amended by adding at the end the following flush sentence:Q02

''The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 3. PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT AND 28-PERCENT RATE BRACKETS.

(a) IN GENERAL.—Subsection (f) of section 1 of the Internal Revenue Code of 1986 (relating to adjustments in tax tables so that inflation will not result in tax increases) is amended by adding at the end the following new paragraph:

''(8) PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT AND 28-PERCENT RATE BRACKETS.—

''(A) IN GENERAL.—With respect to taxable years beginning after December 31, 2001, in prescribing the tables under paragraph (1)—

''(i) the maximum taxable income amount in the 15-percent rate bracket, the minimum and maximum taxable income amounts in the 28-percent rate bracket, and the minimum taxable income amount in the 31-percent rate bracket in the table contained in subsection (a) shall be the applicable percentage of the comparable taxable income amounts in the table contained in subsection (c) (after any other adjustment under this subsection), and

''(ii) the comparable taxable income amounts in the table contained in subsection (d) shall be ½ of the amounts determined under clause (i).

''(B) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A), the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in calendar year—	The applicable percentage is—
2002	170.3
2003	173.8
2004	180.0
2005	183.2
2006	185.0
2007 and thereafter	200.0.

''(C) ROUNDING.—If any amount determined under subparagraph (A)(i) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.''.

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (A) of section 1(f)(2) of such Code is amended by inserting ''except as provided in paragraph (8),'' before ''by increasing''.

(2) The heading for subsection (f) of section 1 of such Code is amended by inserting ''PHASEOUT OF MARRIAGE PENALTY IN 15-PERCENT AND 28-PERCENT RATE BRACKETS;'' before ''ADJUSTMENTS''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 4. PRESERVE FAMILY TAX CREDITS FROM THE ALTERNATIVE MINIMUM TAX.

(a) IN GENERAL.—Subsection (a) of section 26 of the Internal Revenue Code of 1986 (relating to limitation based on tax liability; definition of tax liability) is amended to read as follows:

''(a) LIMITATION BASED ON AMOUNT OF TAX.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the sum of—

''(1) the taxpayer's regular tax liability for the taxable year reduced by the foreign tax credit allowable under section 27(a), and

''(2) the tax imposed for the taxable year by section 55(a).''.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (d) of section 24 of such Code is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(2) Section 32 of such Code is amended by striking subsection (h).

(3) Section 904 of such Code is amended by striking subsection (h) and by redesignating subsections (i), (j), and (k) as subsections (h), (i), and (j), respectively.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 5. COMPLIANCE WITH BUDGET ACT.

(a) IN GENERAL.—Except as provided in subsection (b), all amendments made by this Act which are in effect on September 30, 2005, shall cease to apply as of the close of September 30, 2005.

(b) SUNSET FOR CERTAIN PROVISIONS ABSENT SUBSEQUENT LEGISLATION.—The amendments made by sections 2, 3, and 4 of this Act shall not apply to any taxable year beginning after December 31, 2004.

NOTICES OF HEARINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL. Mr. President, I would like to announce that the Committee on Indian Affairs will meet on Thursday, July 20, 2000, at 10 a.m. in room 485 of the Russell Senate Building to conduct a hearing on the S. 2688, the native American Languages Act Amendments Act of 2000.

Those wishing additional information may contact committee staff at 202/224–2251.

COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL. Mr. President, I would like to announce that the Committee on Indian Affairs will meet on Wednesday, July 19, 2000 at 2:30 p.m. in room 485 of the Russell Senate Building to conduct an oversight hearing on the Activities of the National Indian Gaming Commission. A business meeting will precede the hearing.

Those wishing additional information may contact committee staff at 202/224–2251.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRAIG. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management of the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, July 20, 2000, at 2:00 p.m. in room SD–366 of the Dirksen Senate Office Building in Washington, D.C.

S. 2834, a bill to authorize the Secretary of the Interior, acting through the Bureau of Reclamation, to convey property to the Greater Yuma Port Authority of Yuma County, Arizona, for use as an international port of entry; H.R. 3023, an act to authorize the Secretary of the Interior, acting through the Bureau of Reclamation, to convey property to the Greater Yuma Port Authority of Yuma County, Arizona, for use as an international port of entry; and H.R. 4579, an act to provide for the exchange of certain lands within the State of Utah, have been added to the agenda.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510. For further information, please call Mike Menge at (202) 224–6170.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that an oversight hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place on Tuesday, July 25 at 9:30 a.m. in Room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on Natural Gas Supply.

For further information, please call Dan Kish at 202–224–8276 or Jo Meuse at (202) 224–4756.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON HOUSING AND TRANSPORTATION

Mr. ROTH. Mr. President, I ask unanimous consent that the subcommittee on Housing and Transportation of the Committee on Banking, Housing, and Urban Affairs be authorized to hold a field hearing on Friday, July 14, 2000, in the Englewood City Council Chambers, Englewood, Colorado, on ''Mass Transit Priorities for Rapid Growth Areas.''

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

PRIVILEGE OF THE FLOOR

Mr. REID. Mr. President, on behalf of Senator DANIEL PATRICK MOYNIHAN, I ask unanimous consent that six members of his staff—Jerry Pannullo, John Sparrow, Lee Holtzman, Matthew Vogele, Andy Guglielmi, and Cindy Wachowski—be granted the privilege of the floor for the duration of the debate on H.R. 4810, the Marriage Tax Penalty Relief Reconciliation Act of 2000.

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

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2001

On July 13, 2000, the Senate amended and passed H.R. 4205, as follows:

Resolved, That the bill from the House of Representatives (H.R. 4205) entitled ''An Act to authorize appropriations for fiscal year 2001 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.'', 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 ''National Defense Authorization Act for Fiscal Year 2001''.

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into three divisions as follows:

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

(3) Division C—Department of Energy National Security Authorizations and Other Authorizations.

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

Sec. 1. Short title.
Sec. 2. Organization of Act into divisions; table of contents.
Sec. 3. Congressional defense committees defined.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.
Sec. 105. Defense Inspector General.
Sec. 106. Chemical demilitarization program.
Sec. 107. Defense health programs.

Subtitle B—Army Programs

Sec. 111. Multiyear procurement authority for certain programs.
Sec. 112. Reports and limitations relating to Army transformation.
Sec. 113. Rapid intravenous infusion pumps.

Subtitle C—Navy Programs

Sec. 121. CVNX–1 nuclear aircraft carrier program.
Sec. 122. Arleigh Burke class destroyer program.
Sec. 123. Virginia class submarine program.
Sec. 124. ADC(X) ship program.
Sec. 125. Refueling and complex overhaul program of the CVN–69 nuclear aircraft carrier.
Sec. 126. Remanufactured AV–8B aircraft.
Sec. 127. Anti-personnel obstacle breaching system.

Subtitle D—Air Force Programs

Sec. 131. Repeal of requirement for annual report on B–2 bomber aircraft program.
Sec. 132. Conversion of AGM–65 Maverick missiles.

Subtitle E—Other Matters

Sec. 141. Pueblo Chemical Depot chemical agent and munitions destruction technologies.
Sec. 142. Integrated bridge systems for naval systems special warfare rigid inflatable boats and high-speed assault craft.
Sec. 143. Repeal of prohibition on use of Department of Defense funds for procurement of nuclear-capable shipyard crane from a foreign source.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for basic and applied research.
Sec. 203. Additional authorization for research, development, test, and evaluation on weathering and corrosion of aircraft surfaces and parts.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Fiscal year 2002 joint field experiment.
Sec. 212. Nuclear aircraft carrier design and production modeling.
Sec. 213. DD–21 class destroyer program.
Sec. 214. F–22 aircraft program.
Sec. 215. Joint strike fighter program.
Sec. 216. Global Hawk high altitude endurance unmanned aerial vehicle.
Sec. 217. Unmanned advanced capability aircraft and ground combat vehicles.
Sec. 218. Army space control technology development.
Sec. 219. Russian American Observation Satellites program.
Sec. 220. Joint biological defense program.
Sec. 221. Report on biological warfare defense vaccine research and development programs.
Sec. 222. Technologies for detection and transport of pollutants attributable to live-fire activities.
Sec. 223. Acoustic mine detection.
Sec. 224. Operational technologies for mounted maneuver forces.
Sec. 225. Air logistics technology.
Sec. 226. Precision Location and Identification Program (PLAID).
Sec. 227. Navy Information Technology Center and Human Resource Enterprise Strategy.
Sec. 228. Joint Technology Information Center Initiative.
Sec. 229. Ammunition risk analysis capabilities.
Sec. 230. Funding for comparisons of medium armored combat vehicles.

Subtitle C—Other Matters

Sec. 241. Mobile offshore base.
Sec. 242. Air Force science and technology planning.
Sec. 243. Enhancement of authorities regarding education partnerships for purposes of encouraging scientific study.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.

Sec. 302. Working capital funds.
Sec. 303. Armed Forces Retirement Home.
Sec. 304. Transfer from National Defense Stockpile Transaction Fund.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 311. Impact aid for children with disabilities.
Sec. 312. Joint warfighting capabilities assessment teams.
Sec. 313. Weatherproofing of facilities at Keesler Air Force Base, Mississippi.
Sec. 314. Demonstration project for Internet access and services in rural communities.
Sec. 315. Tethered Aerostat Radar System (TARS) sites.
Sec. 316. Mounted Urban Combat Training site, Fort Knox, Kentucky.
Sec. 317. MK–45 overhaul.
Sec. 318. Industrial mobilization capacity at Government-owned, Government-operated Army ammunition facilities and arsenals.
Sec. 319. Close-in weapon system overhauls.
Sec. 320. Spectrum data base upgrades.

Subtitle C—Humanitarian and Civic Assistance

Sec. 321. Increased authority to provide health care services as humanitarian and civic assistance.
Sec. 322. Use of humanitarian and civic assistance funding for pay and allowances of Special Operations Command Reserves furnishing demining training and related assistance as humanitarian assistance.

Subtitle D—Department of Defense Industrial Facilities

Sec. 331. Codification and improvement of armament retooling and manufacturing support programs.
Sec. 332. Centers of Industrial and Technical Excellence.
Sec. 333. Effects of outsourcing on overhead costs of Centers of Industrial and Technical Excellence and ammunition plants.
Sec. 334. Revision of authority to waive limitation on performance of depot-level maintenance.
Sec. 335. Unutilized and underutilized plant-capacity costs of United States arsenals.

Subtitle E—Environmental Provisions

Sec. 341. Environmental restoration accounts.
Sec. 342. Payment of fines and penalties for environmental compliance violations.
Sec. 343. Annual reports under Strategic Environmental Research and Development Program.
Sec. 344. Payment of fines or penalties imposed for environmental compliance violations at certain Department of Defense facilities.
Sec. 345. Reimbursement for certain costs in connection with the Former Nansemond Ordnance Depot Site, Suffolk, Virginia.
Sec. 346. Environmental restoration activities.
Sec. 347. Ship disposal project.
Sec. 348. Report on Defense Environmental Security Corporate Information Management program.
Sec. 349. Report on Plasma Energy Pyrolysis System.

Subtitle F—Other Matters

Sec. 361. Effects of worldwide contingency operations on readiness of certain military aircraft and equipment.
Sec. 362. Realistic budgeting for readiness requirements of the Army.
Sec. 363. Additions to plan for ensuring visibility over all in-transit end items and secondary items.
Sec. 364. Performance of emergency response functions at chemical weapons storage installations.
Sec. 365. Congressional notification of use of radio frequency spectrum by a system entering engineering and manufacturing development.
Sec. 366. Monitoring of value of performance of Department of Defense functions by workforces selected from between public and private workforces.
Sec. 367. Suspension of reorganization of Naval Audit Service.
Sec. 368. Investment of commissary trust revolving fund.
Sec. 369. Economic procurement of distilled spirits.
Sec. 370. Resale of armor-piercing ammunition disposed of by the Army.
Sec. 371. Damage to aviation facilities caused by alkali silica reactivity.
Sec. 372. Reauthorization of pilot program for acceptance and use of landing fees charged for use of domestic military airfields by civil aircraft.
Sec. 373. Reimbursement by civil air carriers for support provided at Johnston Atoll.
Sec. 374. Review of costs of maintaining historical properties.
Sec. 375. Extension of authority to sell certain aircraft for use in wildfire suppression.
Sec. 376. Overseas airlift service on civil reserve air fleet aircraft.
Sec. 377. Defense travel system.
Sec. 378. Review of AH–64 aircraft program.
Sec. 379. Assistance for maintenance, repair, and renovation of school facilities that serve dependents of members of the Armed Forces and Department of Defense civilian employees.
Sec. 380. Postponement of implementation of Defense Joint Accounting System (DJAS) pending analysis of the system.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the reserves.
Sec. 413. End strengths for military technicians (dual status).
Sec. 414. Fiscal year 2001 limitation on non-dual status technicians.
Sec. 415. Increase in numbers of members in certain grades authorized to be on active duty in support of the reserves.

Subtitle C—Other Matters Relating to Personnel Strengths

Sec. 421. Suspension of strength limitations during war or national emergency.
Sec. 422. Exclusion of certain reserve component members on active duty for more than 180 days from active component end strengths.
Sec. 423. Exclusion of Army and Air Force medical and dental officers from limitation on strengths of reserve commissioned officers in grades below brigadier general.
Sec. 424. Authority for temporary increases in number of reserve personnel serving on active duty or full-time National Guard duty in certain grades.
Sec. 425. Temporary exemption of Director of the National Security Agency from limitations on number of Air Force officers above major general.

Subtitle D—Authorization of Appropriations

Sec. 431. Authorization of appropriations for military personnel.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Sec. 501. Eligibility of Army Reserve colonels and brigadier generals for position vacancy promotions.
Sec. 502. Promotion zones for Coast Guard Reserve officers.
Sec. 503. Time for release of officer promotion selection board reports.
Sec. 504. Clarification of authority for posthumous commissions and warrants.
Sec. 505. Inapplicability of active-duty list promotion, separation, and involuntary retirement authorities to reserve general and flag officers serving in certain positions designated for reserve officers by the Chairman of the Joint Chiefs of Staff.
Sec. 506. Review of actions of selection boards.
Sec. 507. Extension to all Air Force biomedical sciences officers of authority to retain until specified age.
Sec. 508. Termination of application requirement for consideration of officers for continuation on the Reserve Active-Status List.
Sec. 509. Technical corrections relating to retired grade of reserve commissioned officers.
Sec. 510. Grade of chiefs of reserve components and directors of National Guard components.
Sec. 511. Contingent exemption from limitation on number of Air Force officers serving on active duty in grades above major general.

Subtitle B—Joint Officer Management

Sec. 521. Joint specialty designations and additional identifiers.
Sec. 522. Promotion objectives.
Sec. 523. Education.
Sec. 524. Length of joint duty assignment.
Sec. 525. Annual report to Congress.
Sec. 526. Multiple assignments considered as single joint duty assignment.
Sec. 527. Joint duty requirement for promotion to one-star grades.

Subtitle C—Education and Training

Sec. 541. Eligibility of children of Reserves for Presidential appointment to service academies.
Sec. 542. Selection of foreign students to receive instruction at service academies.
Sec. 543. Repeal of contingent funding increase for Junior Reserve Officers Training Corps.
Sec. 544. Revision of authority for Marine Corps Platoon Leaders Class tuition assistance program.

Subtitle D—Matters Relating to Recruiting

Sec. 551. Army recruiting pilot programs.
Sec. 552. Enhancement of the joint and service recruitment market research and advertising programs.
Sec. 553. Access to secondary schools for military recruiting purposes.

Subtitle E—Military Voting Rights Act of 2000

Sec. 561. Short title.
Sec. 562. Guarantee of residency.
Sec. 563. State responsibility to guarantee military voting rights.

Subtitle F—Other Matters

Sec. 571. Authority for award of Medal of Honor to certain specified persons.

Sec. 572. Waiver of time limitations for award of certain decorations to certain persons.
Sec. 573. Ineligibility for involuntary separation pay upon declination of selection for continuation on active duty.
Sec. 574. Recognition by States of military testamentary instruments.
Sec. 575. Sense of Congress on the court-martial conviction of Captain Charles Butler McVay, Commander of the U.S.S. Indianapolis, and on the courageous service of its crew.
Sec. 576. Senior officers in command in Hawaii on December 7, 1941.
Sec. 577. Verbatim records in special courts-martial.
Sec. 578. Management and per diem requirements for members subject to lengthy or numerous deployments.
Sec. 579. Extension of TRICARE managed care support contracts.
Sec. 580. Preparation, participation, and conduct of athletic competitions and small arms competitions by the National Guard and members of the National Guard.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Increase in basic pay for fiscal year 2001.
Sec. 602. Corrections for basic pay tables.
Sec. 603. Pay in lieu of allowance for funeral honors duty.
Sec. 604. Clarification of service excluded in computation of creditable service as a Marine Corps officer.
Sec. 605. Calculation of basic allowance for housing.
Sec. 606. Eligibility of members in grade E–4 to receive basic allowance for housing while on sea duty.
Sec. 607. Personal money allowance for the senior enlisted members of the Armed Forces.
Sec. 608. Increased uniform allowances for officers.
Sec. 609. Cabinet-level authority to prescribe requirements and allowance for clothing of enlisted members.
Sec. 610. Special subsistence allowance for members eligible to receive food stamp assistance.
Sec. 610A. Restructuring of basic pay tables for certain enlisted members.
Sec. 610B. Basic allowance for housing.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. Extension of certain bonuses and special pay authorities for reserve forces.
Sec. 612. Extension of certain bonuses and special pay authorities for nurse officer candidates, registered nurses, and nurse anesthetists.
Sec. 613. Extension of authorities relating to payment of other bonuses and special pays.
Sec. 614. Consistency of authorities for special pay for reserve medical and dental officers.
Sec. 615. Special pay for physician assistants of the Coast Guard.
Sec. 616. Authorization of special pay and accession bonus for pharmacy officers.
Sec. 617. Correction of references to Air Force veterinarians.
Sec. 618. Entitlement of active duty officers of the Public Health Service Corps to special pays and bonuses of health professional officers of the Armed Forces.
Sec. 619. Career sea pay.
Sec. 620. Increased maximum rate of special duty assignment pay.
Sec. 621. Expansion of applicability of authority for critical skills enlistment bonus to include all Armed Forces.
Sec. 622. Entitlement of members of the National Guard and other reserves not on active duty to receive special duty assignment pay.

Subtitle C—Travel and Transportation Allowances

Sec. 631. Advance payments for temporary lodging of members and dependents.
Sec. 632. Incentive for shipping and storing household goods in less than average weights.
Sec. 633. Expansion of funded student travel.
Sec. 634. Benefits for members not transporting personal motor vehicles overseas.

Subtitle D—Retirement Benefits

Sec. 641. Exception to high-36 month retired pay computation for members retired following a disciplinary reduction in grade.
Sec. 642. Automatic participation in reserve component Survivor Benefit Plan unless declined with spouse's consent.
Sec. 643. Participation in Thrift Savings Plan.
Sec. 644. Retirement from active reserve service after regular retirement.
Sec. 645. Same treatment for Federal judges as for other Federal officials regarding payment of military retired pay.
Sec. 646. Policy on increasing minimum survivor benefit plan basic annuities for surviving spouses age 62 or older.
Sec. 647. Survivor benefit plan annuities for survivors of all members who die on active duty.
Sec. 648. Family coverage under servicemembers' group life insurance.
Sec. 649. Fees paid by residents of the Armed Forces Retirement Home.
Sec. 650. Computation of survivor benefits.
Sec. 651. Equitable application of early retirement eligibility requirements to military reserve technicians.
Sec. 652. Concurrent payment to surviving spouses of disability and indemnity compensation and annuities under Survivor Benefit Plan.

Subtitle E—Other Matters

Sec. 661. Reimbursement of recruiting and ROTC personnel for parking expenses.
Sec. 662. Extension of deadline for filing claims associated with capture and internment of certain persons by North Vietnam.
Sec. 663. Settlement of claims for payments for unused accrued leave and for retired pay.
Sec. 664. Eligibility of certain members of the Individual Ready Reserve for Servicemembers' Group Life Insurance.
Sec. 665. Authority to pay gratuity to certain veterans of Bataan and Corregidor.
Sec. 666. Concurrent payment of retired pay and compensation for retired members with service-connected disabilities.
Sec. 667. Travel by reserves on military aircraft to and from locations outside the continental United States for inactive-duty training.
Sec. 668. Additional benefits and protections for personnel incurring injury, illness, or disease in the performance of funeral honors duty.
Sec. 669. Determinations of income eligibility for special supplemental food program.
Sec. 670. Modification of time for use by certain members of the Selected Reserve of entitlement to educational assistance.
Sec. 671. Recognition of members of the Alaska Territorial Guard as veterans.
Sec. 672. Clarification of Department of Veterans Affairs duty to assist.
Sec. 673. Back pay for members of the Navy and Marine Corps approved for promotion while interned as prisoners of war during World War II.

Subtitle F—Education Benefits

Sec. 681. Short title.
Sec. 682. Transfer of entitlement to educational assistance by certain members of the Armed Forces.
Sec. 683. Participation of additional members of the Armed Forces in Montgomery GI Bill program.
Sec. 684. Modification of authority to pay tuition for off-duty training and education.
Sec. 685. Modification of time for use by certain members of Selected Reserve of entitlement to certain educational assistance.

Subtitle G—Additional Benefits For Reserves and Their Dependents

Sec. 691. Sense of Congress.
Sec. 692. Travel by Reserves on military aircraft.
Sec. 693. Billeting services for Reserve members traveling for inactive duty training.
Sec. 694. Increase in maximum number of reserve retirement points that may be credited in any year.
Sec. 695. Authority for provision of legal services to reserve component members following release from active duty.

TITLE VII—HEALTH CARE

Subtitle A—Senior Health Care

Sec. 701. Conditions for eligibility for CHAMPUS upon the attainment of 65 years of age.

Subtitle B—TRICARE Program

Sec. 711. Additional beneficiaries under TRICARE Prime Remote program in CONUS.
Sec. 712. Elimination of copayments for immediate family.
Sec. 713. Improvement in business practices in the administration of the TRICARE program.
Sec. 714. Improvement of access to health care under the TRICARE program.
Sec. 715. Enhancement of access to TRICARE in rural States.

Subtitle C—Joint Initiatives With Department of Veterans Affairs

Sec. 721. Tracking patient safety in military and veterans health care systems.
Sec. 722. Pharmaceutical identification technology.
Sec. 723. Medical informatics.

Subtitle D—Other Matters

Sec. 731. Permanent authority for certain pharmaceutical benefits.
Sec. 732. Provision of domiciliary and custodial care for CHAMPUS beneficiaries.
Sec. 733. Medical and dental care for Medal of Honor recipients and their dependents.
Sec. 734. School-required physical examinations for certain minor dependents.
Sec. 735. Two-year extension of dental and medical benefits for surviving dependents of certain deceased members.
Sec. 736. Extension of authority for contracts for medical services at locations outside medical treatment facilities.

Sec. 737. Transition of chiropractic health care demonstration program to permanent status.
Sec. 738. Use of information technology for enhancement of delivery of administrative services under the Defense Health Program.
Sec. 739. Patient care reporting and management system.
Sec. 740. Health care management demonstration program.
Sec. 741. Studies of accrual financing for health care for military retirees.
Sec. 742. Augmentation of Army Medical Department by reserve officers of the Public Health Service.
Sec. 743. Service areas of transferees of former uniformed services treatment facilities that are included in the uniformed services health care delivery system.
Sec. 744. Blue ribbon advisory panel on Department of Defense policies regarding the privacy of individual medical records.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Sec. 801. Improvements in procurements of services.
Sec. 802. Addition of threshold value requirement for applicability of a reporting requirement relating to multiyear contract.
Sec. 803. Planning for the acquisition of information systems.
Sec. 804. Tracking of information technology purchases.
Sec. 805. Repeal of requirement for contractor assurances regarding the completeness, accuracy, and contractual sufficiency of technical data provided by the contractor.
Sec. 806. Extension of authority for Department of Defense acquisition pilot programs.
Sec. 807. Clarification and extension of authority to carry out certain prototype projects.
Sec. 808. Clarification of authority of Comptroller General to review records of participants in certain prototype projects.
Sec. 809. Eligibility of small business concerns owned and controlled by women for assistance under the Mentor-Protege Program.
Sec. 810. Navy-Marine Corps intranet acquisition.
Sec. 811. Qualifications required for employment and assignment in contracting positions.
Sec. 812. Defense acquisition and support workforce.
Sec. 813. Financial analysis of use of dual rates for quantifying overhead costs at Army industrial facilities.
Sec. 814. Revision of the organization and authority of the Cost Accounting Standards Board.
Sec. 815. Revision of authority for solutions-based contracting pilot program.
Sec. 816. Appropriate use of personnel experience and educational requirements in the procurement of information technology services.
Sec. 817. Study of Office of Management and Budget Circular A–76 process.
Sec. 818. Procurement notice through electronic access to contracting opportunities.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Sec. 901. Repeal of limitation on major Department of Defense headquarters activities personnel.
Sec. 902. Overall supervision of Department of Defense activities for combating terrorism.
Sec. 903. National Defense Panel 2001.
Sec. 904. Quadrennial National Defense Panel.
Sec. 905. Inspector General investigations of prohibited personnel actions.
Sec. 906. Network centric warfare.
Sec. 907. Additional duties for the Commission To Assess United States National Security Space Management and Organization.
Sec. 908. Special authority for administration of Navy Fisher Houses.
Sec. 909. Organization and management of the Civil Air Patrol.
Sec. 910. Responsibility for the National Guard Challenge Program.
Sec. 911. Supervisory control of Armed Forces Retirement Home Board by Secretary of Defense.
Sec. 912. Consolidation of certain Navy gift funds.
Sec. 913. Temporary authority to dispose of a gift previously accepted for the Naval Academy.
Sec. 914. Management of Navy research funds by Chief of Naval Research.
Sec. 915. United States Air Force Institute of Technology.
Sec. 916. Expansion of authority to exempt geodetic products of the Department of Defense from public disclosure.
Sec. 917. Coordination and facilitation of development of directed energy technologies, systems, and weapons.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. Transfer authority.
Sec. 1002. Authorization of emergency supplemental appropriations for fiscal year 2000.
Sec. 1003. United States contribution to NATO common-funded budgets in fiscal year 2001.
Sec. 1004. Annual OMB/CBO joint report on scoring of budget outlays.
Sec. 1005. Prompt payment of contract vouchers.
Sec. 1006. Repeal of certain requirements relating to timing of contract payments.
Sec. 1007. Plan for prompt posting of contractual obligations.
Sec. 1008. Plan for electronic submission of documentation supporting claims for contract payments.
Sec. 1009. Administrative offsets for overpayment of transportation costs.
Sec. 1010. Repeal of certain provisions shifting certain outlays from one fiscal year to another.
Sec. 1010A. Treatment of partial payments under service contracts.

Subtitle B—Counter-Drug Activities

Sec. 1011. Extension and increase of authority to provide additional support for counter-drug activities.
Sec. 1012. Recommendations on expansion of support for counter-drug activities.
Sec. 1013. Review of riverine counter-drug program.

Subtitle C—Strategic Forces

Sec. 1015. Revised nuclear posture review.
Sec. 1016. Plan for the long-term sustainment and modernization of United States strategic nuclear forces.
Sec. 1017. Correction of scope of waiver authority for limitation on retirement or dismantlement of strategic nuclear delivery systems; authority to waive limitation.
Sec. 1018. Report on the defeat of hardened and deeply buried targets.
Sec. 1019. Sense of Senate on the maintenance of the strategic nuclear TRIAD.

Subtitle D—Miscellaneous Reporting Requirements

Sec. 1021. Annual report of the Chairman of the Joint Chiefs of Staff on combatant command requirements.
Sec. 1022. Semiannual report on Joint Requirements Oversight Council.
Sec. 1023. Preparedness of military installation first responders for incidents involving weapons of mass destruction.
Sec. 1024. Date of submittal of reports on shortfalls in equipment procurement and military construction for the reserve components in future-years defense programs.
Sec. 1025. Management review of Defense Logistics Agency.
Sec. 1026. Management review of Defense Information Systems Agency.
Sec. 1027. Report on spare parts and repair parts program of the Air Force for the C–5 aircraft.
Sec. 1028. Report on the status of domestic preparedness against the threat of biological terrorism.
Sec. 1029. Report on global missile launch early warning center.
Sec. 1030. Management review of working-capital fund activities.
Sec. 1031. Report on submarine rescue support vessels.
Sec. 1032. Reports on Federal Government progress in developing information assurance strategies.

Subtitle E—Information Security

Sec. 1041. Institute for Defense Computer Security and Information Protection.
Sec. 1042. Information security scholarship program.
Sec. 1043. Process for prioritizing background investigations for security clearances for Department of Defense personnel.
Sec. 1044. Authority to withhold certain sensitive information from public disclosure.
Sec. 1045. Protection of operational files of the Defense Intelligence Agency.

Subtitle F—Other Matters

Sec. 1051. Commemoration of the fiftieth anniversary of the Uniform Code of Military Justice.
Sec. 1052. Technical corrections.
Sec. 1053. Eligibility of dependents of American Red Cross employees for enrollment in Department of Defense domestic dependent schools in Puerto Rico.
Sec. 1054. Grants to American Red Cross for Armed Forces emergency services.
Sec. 1055. Transit pass program for certain Department of Defense personnel.
Sec. 1056. Fees for providing historical information to the public.
Sec. 1057. Access to criminal history record information for national security purposes.
Sec. 1058. Sense of Congress on the naming of the CVN–77 aircraft carrier.
Sec. 1059. Donation of Civil War cannon.
Sec. 1060. Maximum size of parcel post packages transported overseas for Armed Forces post offices.
Sec. 1061. Aerospace industry Blue Ribbon Commission.
Sec. 1062. Report to Congress regarding extent and severity of child poverty.
Sec. 1063. Improving property management.
Sec. 1064. Sense of the Senate regarding tax treatment of members receiving special pay.
Sec. 1065. Department of Defense process for decisionmaking in cases of false claims.
Sec. 1066. Sense of the Senate concerning long-term economic development aid for communities rebuilding from Hurricane Floyd.

Sec. 1067. Authority to provide headstones or markers for marked graves or otherwise commemorate certain individuals.
Sec. 1068. Comprehensive study and support for criminal investigations and prosecutions by State and local law enforcement officials.
Sec. 1069. Student loan repayment programs.
Sec. 1070. Sense of the Senate on the modernization of Air National Guard F–16A units.
Sec. 1071. Two-year extension of authority to engage in commercial activities as security for intelligence collection activities.
Sec. 1072. Firefighter investment and response enhancement.
Sec. 1073. Breast cancer stamp extension.
Sec. 1074. Personnel security policies.
Sec. 1075. Additional matters for annual report on transfers of militarily sensitive technology to countries and entities of concern.
Sec. 1076. National security implications of United States-China trade relationship.
Sec. 1077. Secrecy policies and worker health.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL POLICY

Sec. 1101. Computer/electronic accommodations program.
Sec. 1102. Additional special pay for foreign language proficiency beneficial for United States national security interests.
Sec. 1103. Increased number of positions authorized for the Defense Intelligence Senior Executive Service.
Sec. 1104. Extension of authority for tuition reimbursement and training for civilian employees in the defense acquisition workforce.
Sec. 1105. Work safety demonstration program.
Sec. 1106. Employment and compensation of employees for temporary organizations established by law or Executive order.
Sec. 1107. Extension of authority for voluntary separations in reductions in force.
Sec. 1108. Electronic maintenance of performance appraisal systems.
Sec. 1109. Approval authority for cash awards in excess of $10,000.
Sec. 1110. Leave for crews of certain vessels.
Sec. 1111. Life insurance for emergency essential Department of Defense employees.
Sec. 1112. Civilian personnel services public-private competition pilot program.
Sec. 1113. Extension, expansion, and revision of authority for experimental personnel program for scientific and technical personnel.
Sec. 1114. Clarification of personnel management authority under a personnel demonstration project.
Sec. 1115. Extension of authority for voluntary separations in reductions in force.
Sec. 1116. Extension, revision, and expansion of authorities for use of voluntary separation incentive pay and voluntary early retirement.
Sec. 1117. Department of Defense employee voluntary early retirement authority.
Sec. 1118. Restrictions on payments for academic training.
Sec. 1119. Strategic plan.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Sec. 1201. Authority to transfer naval vessels to certain foreign countries.
Sec. 1202. Support of United Nations-sponsored efforts to inspect and monitor Iraqi weapons activities.
Sec. 1203. Repeal of restriction preventing cooperative airlift support through acquisition and cross-servicing agreements.
Sec. 1204. Western Hemisphere Institute for Professional Education and Training.
Sec. 1205. Biannual report on Kosovo peacekeeping.
Sec. 1206. Mutual assistance for monitoring test explosions of nuclear devices.
Sec. 1207. Annual report on activities and assistance under Cooperative Threat Reduction programs.
Sec. 1208. Limitation on use of funds for construction of a Russian facility for the destruction of chemical weapons.
Sec. 1209. Limitation on use of funds for Elimination of Weapons Grade Plutonium Program.
Sec. 1210. Sense of Congress regarding the use of children as soldiers.
Sec. 1211. Support of consultations on Arab and Israeli arms control and regional security issues.
Sec. 1212. Authority to consent to retransfer of alternative former naval vessel by Government of Greece.
Sec. 1213. United States-Russian Federation joint data exchange center on early warning systems and notification of missile launches.
Sec. 1214. Adjustment of composite theoretical performance levels of high performance computers.

TITLE XIII—NAVY ACTIVITIES ON THE ISLAND OF VIEQUES, PUERTO RICO

Sec. 1301. Assistance for economic growth on Vieques.
Sec. 1302. Requirement for referendum on continuation of Navy training.
Sec. 1303. Actions if training is approved.
Sec. 1304. Requirements if training is not approved or mandate for referendum is vitiated.
Sec. 1305. Exempt property.
Sec. 1306. Moratorium on improvements at Fort Buchanan.
Sec. 1307. Property transferred to Secretary of the Interior.
Sec. 1308. Live Impact Area.

TITLE XIV—GOVERNMENT INFORMATION SECURITY REFORM

Sec. 1401. Short title.
Sec. 1402. Coordination of Federal information policy.
Sec. 1403. Responsibilities of certain agencies.
Sec. 1404. Technical and conforming amendments.
Sec. 1405. Effective date.

TITLE XV—LOCAL LAW ENFORCEMENT ENHANCEMENT ACT OF 2000

Sec. 1501. Short title.
Sec. 1502. Findings.
Sec. 1503. Definition of hate crime.
Sec. 1504. Support for criminal investigations and prosecutions by State and local law enforcement officials.
Sec. 1505. Grant program.
Sec. 1506. Authorization for additional personnel to assist State and local law enforcement.
Sec. 1507. Prohibition of certain hate crime acts.
Sec. 1508. Duties of Federal Sentencing Commission.
Sec. 1509. Statistics.
Sec. 1510. Severability.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

Sec. 2001. Short title.

TITLE XXI—ARMY

Sec. 2101. Authorized Army construction and land acquisition projects.
Sec. 2102. Family housing.
Sec. 2103. Improvements to military family housing units.
Sec. 2104. Authorization of appropriations, Army.
Sec. 2105. Modification of authority to carry out certain fiscal year 2000 projects.
Sec. 2106. Modification of authority to carry out certain fiscal year 1999 projects.
Sec. 2107. Modification of authority to carry out fiscal year 1998 project.
Sec. 2108. Authority to accept funds for realignment of certain military construction project, Fort Campbell, Kentucky.

TITLE XXII—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Authorization of appropriations, Navy.
Sec. 2205. Correction in authorized use of funds, Marine Corps Combat Development Command, Quantico, Virginia.

TITLE XXIII—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
Sec. 2304. Authorization of appropriations, Air Force.

TITLE XXIV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
Sec. 2402. Energy conservation projects.
Sec. 2403. Authorization of appropriations, Defense Agencies.
Sec. 2404. Modification of authority to carry out certain fiscal year 1990 project.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

Sec. 2501. Authorized NATO construction and land acquisition projects.
Sec. 2502. Authorization of appropriations, NATO.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

Sec. 2601. Authorized Guard and Reserve construction and land acquisition projects.
Sec. 2602. Authorization for contribution to construction of airport tower, Cheyenne Airport, Cheyenne, Wyoming.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
Sec. 2702. Extension of authorizations of certain fiscal year 1998 projects.
Sec. 2703. Extension of authorizations of certain fiscal year 1997 projects.
Sec. 2704. Effective date.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

Sec. 2801. Joint use military construction projects.
Sec. 2802. Exclusion of certain costs from determination of applicability of limitation on use of funds for improvement of family housing.
Sec. 2803. Replacement of limitations on space by pay grade of military family housing with requirement for local comparability of military family housing.
Sec. 2804. Modification of lease authority for high-cost military family housing.

Sec. 2805. Applicability of competition policy to alternative authority for acquisition and improvement of military housing.
Sec. 2806. Provision of utilities and services under alternative authority for acquisition and improvement of military housing.
Sec. 2807. Extension of alternative authority for acquisition and improvement of military housing.
Sec. 2808. Inclusion of readiness center in definition of armory for purposes of construction of reserve component facilities.

Subtitle B—Real Property and Facilities Administration

Sec. 2811. Increase in threshold for reports to Congress on real property transactions.
Sec. 2812. Enhancements of military lease authority.
Sec. 2813. Expansion of procedures for selection of conveyees under authority to convey utility systems.

Subtitle C—Defense Base Closure and Realignment

Sec. 2821. Scope of agreements to transfer property to redevelopment authorities without consideration under the base closure laws.

Subtitle D—Land Conveyances

PART I—ARMY CONVEYANCES

Sec. 2831. Land conveyance, Charles Melvin Price Support Center, Illinois.
Sec. 2832. Land conveyance, Lieutenant General Malcolm Hay Army Reserve Center, Pittsburgh, Pennsylvania.
Sec. 2833. Land conveyance, Colonel Harold E. Steele Army Reserve Center and Maintenance Shop, Pittsburgh, Pennsylvania.
Sec. 2834. Land conveyance, Fort Lawton, Washington.
Sec. 2835. Land conveyance, Vancouver Barracks, Washington.
Sec. 2836. Land conveyance, Fort Riley, Kansas.
Sec. 2837. Land conveyance, Army Reserve Center, Winona, Minnesota.

PART II—NAVY CONVEYANCES

Sec. 2851. Modification of land conveyance, Marine Corps Air Station, El Toro, California.
Sec. 2852. Modification of land conveyance, Defense Fuel Supply Point, Casco Bay, Maine.
Sec. 2853. Modification of land conveyance authority, former Naval Training Center, Bainbridge, Cecil County, Maryland.
Sec. 2854. Land conveyance, Naval Computer and Telecommunications Station, Cutler, Maine.
Sec. 2855. Modification of authority for Oxnard Harbor District, Port Hueneme, California, to use certain Navy property.
Sec. 2856. Regarding land conveyance, Marine Corps Base, Camp Lejeune, North Carolina.

PART III—AIR FORCE CONVEYANCES

Sec. 2861. Modification of land conveyance, Ellsworth Air Force Base, South Dakota.
Sec. 2862. Land conveyance, Los Angeles Air Force Base, California.
Sec. 2863. Land conveyance, Mukilteo Tank Farm, Everett, Washington.

PART IV—DEFENSE AGENCIES CONVEYANCES

Sec. 2871. Land conveyance, Army and Air Force Exchange Service property, Farmers Branch, Texas.

PART V—OTHER CONVEYANCES

Sec. 2881. Land conveyance, former National Ground Intelligence Center, Charlottesville, Virginia.

Subtitle E—Other Matters

Sec. 2891. Naming of Army missile testing range at Kwajalein Atoll as the Ronald Reagan Ballistic Missile Defense Test Site at Kwajalein Atoll.
Sec. 2892. Acceptance and use of gifts for construction of third building at United States Air Force Museum, Wright-Patterson Air Force Base, Ohio.
Sec. 2893. Development of Marine Corps Heritage Center at Marine Corps Base, Quantico, Virginia.
Sec. 2894. Activities relating to the greenbelt at Fallon Naval Air Station, Nevada.
Sec. 2895. Sense of Congress regarding land transfers at Melrose Range, New Mexico, and Yakima Training Center, Washington.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

Sec. 3101. National Nuclear Security Administration.
Sec. 3102. Defense environmental restoration and waste management.
Sec. 3103. Other defense activities.
Sec. 3104. Defense environmental management privatization.
Sec. 3105. Energy employees compensation initiative.
Sec. 3106. Defense nuclear waste disposal.

Subtitle B—Recurring General Provisions

Sec. 3121. Reprogramming.
Sec. 3122. Limits on general plant projects.
Sec. 3123. Limits on construction projects.
Sec. 3124. Fund transfer authority.
Sec. 3125. Authority for conceptual and construction design.
Sec. 3126. Authority for emergency planning, design, and construction activities.
Sec. 3127. Funds available for all national security programs of the Department of Energy.
Sec. 3128. Availability of funds.
Sec. 3129. Transfer of defense environmental management funds.

Subtitle C—National Nuclear Security Administration

Sec. 3131. Term of office of person first appointed as Under Secretary for Nuclear Security of the Department of Energy.
Sec. 3132. Membership of Under Secretary for Nuclear Security on the Joint Nuclear Weapons Council.
Sec. 3133. Scope of authority of Secretary of Energy to modify organization of National Nuclear Security Administration.
Sec. 3134. Prohibition on pay of personnel engaged in concurrent service or duties inside and outside National Nuclear Security Administration.
Sec. 3135. Organization plan for field offices of the National Nuclear Security Administration.
Sec. 3136. Future-years nuclear security program.
Sec. 3137. Cooperative research and development of the National Nuclear Security Administration.
Sec. 3138. Construction of National Nuclear Security Administration operations office complex.

Subtitle D—Program Authorizations, Restrictions, and Limitations

Sec. 3151. Processing, treatment, and disposition of legacy nuclear materials.
Sec. 3152. Formerly Utilized Sites Remedial Action Program.
Sec. 3153. Department of Energy defense nuclear nonproliferation programs.
Sec. 3154. Modification of counterintelligence polygraph program.
Sec. 3155. Employee incentives for employees at closure project facilities.
Sec. 3156. Conceptual design for Subsurface Geosciences Laboratory at Idaho National Engineering and Environmental Laboratory, Idaho Falls, Idaho.
Sec. 3157. Tank Waste Remediation System, Hanford Reservation, Richland, Washington.
Sec. 3158. Report on national ignition facility, Lawrence Livermore National Laboratory, Livermore, California.

Subtitle E—National Laboratories Partnership Improvement Act

Sec. 3161. Short title.
Sec. 3162. Definitions.
Sec. 3163. Technology Infrastructure Pilot Program.
Sec. 3164. Small business advocacy and assistance.
Sec. 3165. Technology partnerships ombudsman.
Sec. 3166. Studies related to improving mission effectiveness, partnerships, and technology transfer at National Laboratories.
Sec. 3167. Other transactions authority.
Sec. 3168. Conformance with NNSA organizational structure.
Sec. 3169. Arctic energy.

Subtitle F—Other Matters

Sec. 3171. Extension of authority for appointment of certain scientific, engineering, and technical personnel.
Sec. 3172. Updates of report on nuclear test readiness postures.
Sec. 3173. Frequency of reports on inadvertent releases of Restricted Data and Formerly Restricted Data.
Sec. 3174. Form of certifications regarding the safety or reliability of the nuclear weapons stockpile.
Sec. 3175. Engineering and manufacturing research, development, and demonstration by plant managers of certain nuclear weapons production plants.
Sec. 3176. Cooperative research and development agreements for Government-owned, contractor-operated laboratories.
Sec. 3177. Commendation of Department of Energy and contractor employees for exemplary service in stockpile stewardship and security.
Sec. 3178. Adjustment of threshold requirement for submission of reports on advanced computer sales to Tier III foreign countries.

Subtitle G—Russian Nuclear Complex Conversion

Sec. 3191. Short title.
Sec. 3192. Findings.
Sec. 3193. Expansion and enhancement of Nuclear Cities Initiative.
Sec. 3194. Sense of Congress on the establishment of a National Coordinator for Nonproliferation Matters.
Sec. 3195. Definitions.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Sec. 3201. Defense Nuclear Facilities Safety Board.

TITLE XXXIII—NAVAL PETROLEUM RESERVES

Sec. 3301. Minimum price of petroleum sold from the naval petroleum reserves.

Sec. 3302. Repeal of authority to contract for cooperative or unit plans affecting Naval Petroleum Reserve Numbered 1.
Sec. 3303. Land transfer and restoration.

TITLE XXXIV—NATIONAL DEFENSE STOCKPILE

Sec. 3401. Authorized uses of stockpile funds.
Sec. 3402. Increased receipts under prior disposal authority.
Sec. 3403. Disposal of titanium.

TITLE XXXV—ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION

Sec. 3501. Short title.
Sec. 3502. Construction with other laws.
Sec. 3503. Definitions.
Sec. 3504. Expansion of list of beryllium vendors and means of establishing covered beryllium illnesses.

Subtitle A—Beryllium, Silicosis, and Radiation Compensation

Sec. 3511. Exposure to hazards in the performance of duty.
Sec. 3512. Advisory board on radiation and worker health.
Sec. 3513. Designation of additional members of the Special Exposure Cohort.
Sec. 3514. Authority to provide compensation and other assistance.
Sec. 3515. Alternative compensation.
Sec. 3516. Submittal of claims.
Sec. 3517. Adjudication and administration.

Subtitle B—Exposure to Other Toxic Substances

Sec. 3521. Definitions.
Sec. 3522. Agreements with States.

Subtitle C—General Provisions

Sec. 3531. Treatment of compensation and benefits.
Sec. 3532. Forfeiture of benefits by convicted felons.
Sec. 3533. Limitation on right to receive benefits.
Sec. 3534. Coordination of benefits—State workers' compensation.
Sec. 3535. Coordination of benefits—Federal workers' compensation.
Sec. 3536. Receipt of benefits—other statutes.
Sec. 3537. Dual compensation—Federal employees.
Sec. 3538. Dual compensation—other employees.
Sec. 3539. Exclusivity of remedy against the United States, contractors, and subcontractors.
Sec. 3540 Election of remedy against beryllium vendors and atomic weapons employers.
Sec. 3541. Subrogation of the United States.
Sec. 3542. Energy Employees' Occupational Illness Compensation Fund.
Sec. 3543. Effective date.
Sec. 3544. Technical and conforming amendments.

SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

For purposes of this Act, the term ''congressional defense committees'' means—

(1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

(2) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 2001 for procurement for the Army as follows:

(1) For aircraft, $1,749,662,000.

(2) For missiles, $1,382,328,000.

(3) For weapons and tracked combat vehicles, $2,115,138,000.

(4) For ammunition, $1,224,323,000.

(5) For other procurement, $4,039,670,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2001 for procurement for the Navy as follows:

(1) For aircraft, $8,685,958,000.

(2) For weapons, including missiles and torpedoes, $1,539,950,000.

(3) For shipbuilding and conversion, $12,900,076,000.

(4) For other procurement, $3,378,311,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2001 for procurement for the Marine Corps in the amount of $1,191,035,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2001 for procurement of ammunition for the Navy and the Marine Corps in the amount of $500,749,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 2001 for procurement for the Air Force as follows:

(1) For aircraft, $9,968,371,000.

(2) For ammunition, $666,808,000.

(3) For missiles, $3,005,915,000.

(4) For other procurement, $7,724,527,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2001 for Defense-wide procurement in the amount of $2,203,508,000.

SEC. 105. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 2001 for procurement for the Inspector General of the Department of Defense in the amount of $3,300,000.

SEC. 106. CHEMICAL DEMILITARIZATION PROGRAM.

There is hereby authorized to be appropriated for fiscal year 2001 the amount of $1,003,500,000 for—

(1) the destruction of lethal chemical agents and munitions in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521); and

(2) the destruction of chemical warfare materiel of the United States that is not covered by section 1412 of such Act.

SEC. 107. DEFENSE HEALTH PROGRAMS.

Funds are hereby authorized to be appropriated for fiscal year 2001 for the Department of Defense for procurement for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $290,006,000.

Subtitle B—Army Programs

SEC. 111. MULTIYEAR PROCUREMENT AUTHORITY FOR CERTAIN PROGRAMS.

(a) AUTHORITY.—Beginning with the fiscal year 2001 program year, the Secretary of the Army may, in accordance with section 2306b of title 10, United States Code, enter into multiyear contracts for procurement of the following:

(1) M2A3 Bradley fighting vehicles.

(2) UH–60L Blackhawk helicopters.

(3) CH–60S Seahawk helicopters.

(b) LIMITATION FOR BRADLEY FIGHTING VEHICLES.—The period for a multiyear contract entered into under subsection (a)(1) may not exceed the three consecutive program years beginning with the fiscal year 2001 program year.

(c) REPEAL OF SUPERSEDED AUTHORITY.—Section 111 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 531) is amended by striking paragraph (2).

SEC. 112. REPORTS AND LIMITATIONS RELATING TO ARMY TRANSFORMATION.

(a) REPORT ON OBJECTIVE FORCE DEVELOPMENT PROCESS.—The Secretary of the Army shall submit to the congressional defense committees a report on the process for developing the objective force in the transformation of the Army. The report shall include the following:

(1) The operational environments envisioned for the objective force.

(2) The threat assumptions on which research and development efforts for transformation of the Army into the objective force are based.

(3) The potential operational and organizational concepts for the objective force.

(4) The key performance parameters anticipated for the objective force and the operational requirements anticipated for the operational requirements document of the objective force.

(5) The schedule of Army transformation activities through fiscal year 2012, together with—

(A) the projected funding requirements through that fiscal year for the research and development activities and the procurement activities;

(B) the specific adjustments that are made for Army programs in the future-years defense program and in the extended planning program in order to program the funding necessary to meet the funding requirements for Army transformation; and

(C) a summary of the anticipated investments of the Defense Advanced Research Projects Agency in programs designed to lead to the fielding of future combat systems for the objective force.

(6) The joint warfighting requirements that will be supported by the fielding of the objective force, together with a description of the adjustments that are planned to be made in the war plans of the commanders of the regional unified combatant commands in relation to the fielding of the objective force.

(7) The changes in lift requirements that result from the establishment and fielding of the combat brigades of the objective force.

(8) The evaluation process that will be used to support decisionmaking on the course of the Army transformation, including a description of the operational evaluations and experimentation that will be used to validate the key performance parameters associated with the objective force and the operational requirements for the operational requirements document of the objective force.

(b) REPORTS ON MEDIUM ARMORED COMBAT VEHICLES FOR THE INTERIM BRIGADE COMBAT TEAMS.—(1) The Secretary of the Army shall develop and carry out a plan for comparing—

(A) the costs and operational effectiveness of the medium armored combat vehicles selected for the infantry battalions of the interim brigade combat teams; and

(B) the costs and operational effectiveness of the medium armored vehicles currently in the Army inventory for the use of infantry battalions.

(2) The plan shall provide for the costs and operational effectiveness of the two sets of vehicles to be determined on the basis of the results of an operational analysis that involves the participation of at least one infantry battalion that is fielded with medium armored vehicles currently in the Army inventory and is similar in organization to the infantry battalions of the interim brigade combat teams.

(3) The Director of Operational Test and Evaluation of the Department of Defense shall review the plan developed under paragraph (1) and submit the Director's comments on the plan to the Secretary of the Army.

(4) Not later than February 1, 2001, the Secretary of the Army shall submit to the congressional defense committees a report on the plan developed under paragraph (1). The report shall include the following:

(A) The plan.

(B) The comments of the Director of Operational Test and Evaluation on the plan.

(C) A discussion of how the results of the operational analysis are to be used to guide future decisions on the acquisition of medium armored combat vehicles for additional interim brigade combat teams.

(D) The specific adjustments that are made for Army programs in the future-years defense program and in the extended planning program in order to program the funding necessary for fielding the interim brigade combat teams.

(5)(A) Not later than March 1, 2002, the Secretary of the Army shall submit to the congressional defense committees a report on the results of the comparison of costs and operational effectiveness of the two sets of medium armored combat vehicles under paragraph (1).

(B) The report under subparagraph (A) shall include a certification by the Secretary of Defense regarding whether the results of the comparison would support the continuation in fiscal year 2003 and beyond of the acquisition of the additional medium armored combat vehicles proposed to be used for equipping the interim brigade combat teams.

(c) LIMITATIONS.—(1) Not more than 60 percent of the amount appropriated for the procurement of armored vehicles in the family of new medium armored vehicles pursuant to the authorization of appropriations in section 101(3) may be obligated until the date that is 30 days after the date on which the Secretary of the Army submits the report required under subsection (b)(4) to the congressional defense committees.

(2) Not more than 60 percent of the funds appropriated for the Army for fiscal year 2002 for the procurement of armored vehicles in the family of new medium armored combat vehicles may be obligated until the date that is 30 days after the date on which the Secretary of the Army submits the report required under subsection (b)(5) to the congressional defense committees.

(d) DEFINITIONS.—In this section:

(1) The term ''transformation'', with respect to the Army, means the actions being undertaken to transform the Army, as it is constituted in terms of organization, equipment, and doctrine in 2000, into the objective force.

(2) The term ''objective force'' means the Army that has the organizational structure, the most advanced equipment that early twenty-first century science and technology can provide, and the appropriate doctrine to ensure that the Army is responsive, deployable, agile, versatile, lethal, survivable, and sustainable for the full spectrum of the operations anticipated to be required of the Army during the early years of the twenty-first century following 2010.

(3) The term ''interim brigade combat team'' means an Army brigade that is designated by the Secretary of the Army as a brigade combat team and is reorganized and equipped with currently available equipment in a configuration that effectuates an evolutionary advancement toward transformation of the Army to the objective force.

SEC. 113. RAPID INTRAVENOUS INFUSION PUMPS.

Of the amount authorized to be appropriated under section 101(5)—

(1) $6,000,000 shall be available for the procurement of rapid intravenous infusion pumps; and

(2) the amount provided for the family of medium tactical vehicles is hereby reduced by $6,000,000.

Subtitle C—Navy Programs

SEC. 121. CVNX–1 NUCLEAR AIRCRAFT CARRIER PROGRAM.

(a) AUTHORIZATION OF SHIP.—The Secretary of the Navy is authorized to procure the aircraft carrier to be designated CVNX–1.

(b) ADVANCE PROCUREMENT AND CONSTRUCTION.—The Secretary may enter into one or more contracts for the advance procurement and advance construction of components for the ship authorized under subsection (a).

(c) AMOUNT AUTHORIZED FROM SCN ACCOUNT.—Of the amounts authorized to be appropriated under section 102(a)(3) for fiscal year 2001, $21,869,000 is available for the advance procurement and advance construction of components (including nuclear components) for the CVNX–1 aircraft carrier program.

SEC. 122. ARLEIGH BURKE CLASS DESTROYER PROGRAM.

(a) ECONOMICAL MULTIYEAR PROCUREMENT OF PREVIOUSLY AUTHORIZED VESSELS AND ONE ADDITIONAL VESSEL.—(1) Subsection (b) of section 122 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2446), as amended by section 122(a) of Public Law 106–65 (113 Stat. 535), is further amended by striking ''a total of 18 Arleigh Burke class destroyers'' in the first sentence and all that follows through the period at the end of that sentence and inserting ''Arleigh Burke class destroyers in accordance with this subsection and subsection (a)(4) at procurement rates not in excess of 3 ships in each of the fiscal years beginning after September 30, 1998, and before October 1, 2005. The authority under the preceding sentence is subject to the availability of appropriations for such destroyers.''.

(2) The heading for such subsection is amended by striking ''18''.

(b) ECONOMICAL RATE OF PROCUREMENT.—It is the sense of Congress that, for the procurement of the Arleigh Burke class destroyers to be procured after fiscal year 2001 under multiyear contracts authorized under section 122(b) of Public Law 104–201—

(1) the Secretary of the Navy should—

(A) achieve the most economical rate of procurement; and

(B) enter into such contracts for advance procurement as may be necessary to achieve that rate of procurement;

(2) the most economical rate of procurement would be achieved by procuring 3 of the destroyers in each of fiscal years 2002 and 2003 and procuring another destroyer in fiscal year 2004; and

(3) the Secretary has the authority under section 122(b) of Public Law 104–201 (110 Stat. 2446) and subsections (b) and (c) of section 122 of Public Law 106–65 (113 Stat. 534) to provide for procurement at the most economical rate, as described in paragraph (2).

(c) UPDATE OF 1993 REPORT ON DDG–51 CLASS SHIPS.—(1) The Secretary of the Navy shall submit to the Committees on Armed Services of the Senate and the House of Representatives, not later than November 1, 2000, a report that updates the information provided in the report of the Secretary of the Navy entitled the ''Arleigh Burke (DDG–51) Class Industrial Base Study of 1993''. The Secretary shall transmit a copy of the updated report to the Comptroller General not later than the date on which the Secretary submits the report to the committees.

(2) The Comptroller General shall review the updated report submitted under paragraph (1) and, not later than December 1, 2000, submit to the Committees on Armed Services of the Senate and House of Representatives the Comptroller General's comments on the updated report.

SEC. 123. VIRGINIA CLASS SUBMARINE PROGRAM.

(a) AMOUNTS AUTHORIZED FROM SCN ACCOUNT.—Of the amounts authorized to be appropriated by section 102(a)(3) for fiscal year 2001, $1,711,234,000 is available for the Virginia class submarine program.

(b) CONTRACT AUTHORITY.—(1) The Secretary of the Navy is authorized to enter into a contract for the procurement of up to five Virginia class submarines, including the procurement of material in economic order quantities when cost savings are achievable, during fiscal years 2003 through 2006. The submarines authorized under the preceding sentence are in addition to the submarines authorized under section 121(b) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1648).

(2) A contract entered into under paragraph (1) shall include a clause that states that any obligation of the United States to make a payment under this contract is subject to the availability of appropriations for that purpose.

(c) SHIPBUILDER TEAMING.—Paragraphs (2)(A), (3), and (4) of section 121(b) of Public Law 105–85 apply to the procurement of submarines under this section.

(d) LIMITATION OF LIABILITY.—If a contract entered into under this section is terminated, the United States shall not be liable for termination costs in excess of the total of the amounts appropriated for the Virginia class submarine program that remain available for the program.

(e) REPORT REQUIREMENT.—At that same time that the President submits the budget for fiscal year 2002 to Congress under section 1105(a) of title 31, United States Code, the Secretary of Defense shall submit to the congressional defense committees a report on the Navy's fleet of fast attack submarines. The report shall include the following:

(1) A plan for maintaining at least 55 fast attack submarines in commissioned service through 2015, including, by 2015, 18 Virginia class submarines.

(2) Two assessments of the potential savings that would be achieved under the Virginia class submarine program if the production rate for such program were at least two submarines each fiscal year, as follows:

(A) An assessment if that were the production rate beginning in fiscal year 2004.

(B) An assessment if that were the production rate beginning in fiscal year 2006.

(3) An analysis of the advantages and disadvantages of various contracting strategies for Virginia class submarine program, including one or more multiyear procurement strategies and one or more strategies for block buy with economic order quantity.

SEC. 124. ADC(X) SHIP PROGRAM.

Notwithstanding any other provision of law, the Secretary of the Navy may procure the construction of all ADC(X) class ships in one shipyard if the Secretary determines that it is more cost effective to do so than to procure the construction of such ships from more than one shipyard.

SEC. 125. REFUELING AND COMPLEX OVERHAUL PROGRAM OF THE CVN–69 NUCLEAR AIRCRAFT CARRIER.

(a) AMOUNT AUTHORIZED FROM SCN ACCOUNT.—Of the amount authorized to be appropriated by section 102(a)(3) for fiscal year 2001, $703,441,000 is available for the commencement of the nuclear refueling and complex overhaul of the CVN–69 aircraft carrier during fiscal year 2001. The amount made available in the preceding sentence is the first increment in the incremental funding planned for the nuclear refueling and complex overhaul of the CVN–69 aircraft carrier.

(b) CONTRACT AUTHORITY.—The Secretary of the Navy is authorized to enter into a contract during fiscal year 2001 for the nuclear refueling and complex overhaul of the CVN–69 nuclear aircraft carrier.

(c) CONDITION FOR OUT-YEAR CONTRACT PAYMENTS.—A contract entered into under subsection (b) shall include a clause that states that any obligation of the United States to make a payment under the contract for a fiscal year after fiscal year 2001 is subject to the availability of appropriations for that purpose for that later fiscal year.

SEC. 126. REMANUFACTURED AV–8B AIRCRAFT.

Of the amount authorized to be appropriated by section 102(a)(1)—

(1) $318,646,000 is available for the procurement of remanufactured AV–8B aircraft;

(2) $15,200,000 is available for the procurement of UC–35 aircraft;

(3) $3,300,000 is available for the procurement of automatic flight control systems for EA–6B aircraft; and

(4) $46,000,000 is available for engineering change proposal 583 for FA–18 aircraft.

SEC. 127. ANTI-PERSONNEL OBSTACLE BREACHING SYSTEM.

Of the total amount authorized to be appropriated under section 102(c), $4,000,000 is available only for the procurement of the anti-personnel obstacle breaching system.

Subtitle D—Air Force Programs

SEC. 131. REPEAL OF REQUIREMENT FOR ANNUAL REPORT ON B–2 BOMBER AIRCRAFT PROGRAM.

Section 112 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101–189; 103 Stat. 1373), as amended by section 141 of Public Law 104–106 (110 Stat. 213), is repealed.

SEC. 132. CONVERSION OF AGM–65 MAVERICK MISSILES.

(a) INCREASE IN AMOUNT.—The amount authorized to be appropriated by section 103(3) for procurement of missiles for the Air Force is hereby increased by $2,100,000.

(b) AVAILABILITY OF AMOUNT.—(1) Of the amount authorized to be appropriated by section 103(3), as increased by subsection (a), $2,100,000 shall be available for In-Service Missile Modifications for the purpose of the conversion of Maverick missiles in the AGM–65B and AGM–65G configurations to Maverick missiles in the AGM–65H and AGM–65K configurations.

(2) The amount available under paragraph (1) for the purpose specified in that paragraph is in addition to any other amounts available under this Act for that purpose.

(c) OFFSET.—The amount authorized to be appropriated by section 103(1) for procurement of aircraft for the Air Force is hereby reduced by $2,100,000, with the amount of the reduction applicable to amounts available under that section for ALE–50 Code Decoys.

Subtitle E—Other Matters

SEC. 141. PUEBLO CHEMICAL DEPOT CHEMICAL AGENT AND MUNITIONS DESTRUCTION TECHNOLOGIES.

(a) LIMITATION.—In determining the technologies to be used for the destruction of the stockpile of lethal chemical agents and munitions at Pueblo Chemical Depot, Colorado, whether under the assessment required by section 141(a) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 537; 50 U.S.C. 1521 note), the Assembled Chemical Weapons Assessment, or any other assessment, the Secretary of Defense may consider only the following technologies:

(1) Incineration.

(2) Any technologies demonstrated under the Assembled Chemical Weapons Assessment on or before May 1, 2000.

(b) ASSEMBLED CHEMICAL WEAPONS ASSESSMENT DEFINED.—As used in subsection (a), the term ''Assembled Chemical Weapons Assessment'' means the pilot program carried out under section 8065 of the Department of Defense Appropriations Act, 1997 (section 101(b) of Public Law 104–208; 110 Stat. 3009–101; 50 U.S.C. 1521 note).

SEC. 142. INTEGRATED BRIDGE SYSTEMS FOR NAVAL SYSTEMS SPECIAL WARFARE RIGID INFLATABLE BOATS AND HIGH-SPEED ASSAULT CRAFT.

(a) INCREASE IN AUTHORIZATION FOR PROCUREMENT, DEFENSE-WIDE.—The amount authorized to be appropriated by section 104 for procurement, Defense-wide, is hereby increased by $7,000,000.

(b) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 104, as increased by subsection (a), $7,000,000 shall be available for the procurement and installation of integrated bridge systems for naval systems special warfare rigid inflatable boats and high-speed assault craft for special operations forces.

(c) OFFSET.—The amount authorized to be appropriated by section 103(4), for other procurement for the Air Force, is hereby reduced by $7,000,000.

SEC. 143. REPEAL OF PROHIBITION ON USE OF DEPARTMENT OF DEFENSE FUNDS FOR PROCUREMENT OF NUCLEAR-CAPABLE SHIPYARD CRANE FROM A FOREIGN SOURCE.

Section 8093 of the Department of Defense Appropriations Act, 2000 (Public Law 106–79; 113 Stat. 1253) is amended by striking subsection (d), relating to a prohibition on the use of Department of Defense funds to procure a nuclear-capable shipyard crane from a foreign source.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2001 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $5,501,946,000.

(2) For the Navy, $8,665,865,000.

(3) For the Air Force, $13,887,836,000.

(4) For Defense-wide activities, $11,275,202,000, of which $223,060,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR BASIC AND APPLIED RESEARCH.

(a) FISCAL YEAR 2001.—Of the amounts authorized to be appropriated by section 201, $4,702,604,000 shall be available for basic research and applied research projects.

(b) BASIC RESEARCH AND APPLIED RESEARCH DEFINED.—For purposes of this section, the term ''basic research and applied research'' means work funded in program elements for defense research and development under Department of Defense category 6.1 or 6.2.

SEC. 203. ADDITIONAL AUTHORIZATION FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION ON WEATHERING AND CORROSION OF AIRCRAFT SURFACES AND PARTS.

(a) INCREASE IN AUTHORIZATION.—The amount authorized to be appropriated by section 201(3) is hereby increased by $1,500,000.

(b) AVAILABILITY OF FUNDS.—The amount available under section 201(3), as increased by subsection (a), for research, development, test, and evaluation on weathering and corrosion of aircraft surfaces and parts (PE62102F) is hereby increased by $1,500,000.

(c) OFFSET.—The amount authorized to be appropriated by section 201(4) is hereby decreased by $1,500,000, with the amount of such decrease being allocated to Sensor and Guidance Technology (PE63762E).

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. FISCAL YEAR 2002 JOINT FIELD EXPERIMENT.

(a) REQUIREMENTS.—The Secretary of Defense shall carry out a joint field experiment in fiscal year 2002. The Secretary shall ensure that the planning for the joint field experiment is carried out during fiscal year 2001.

(b) PURPOSE.—The purpose of the joint field experiment is to explore the most critical war fighting challenges at the operational level of war that will confront United States joint military forces after 2010.

(c) PARTICIPATING FORCES.—(1) The joint field experiment shall involve elements of Army, Navy, Marine Corps, and Air Force, and shall include special operations forces.

(2) The forces designated to participate in the joint field experiment shall exemplify the concepts for organization, equipment, and doctrine that are conceived for the forces after 2010 under Joint Vision 2010 (issued by the Joint Chiefs of Staff) and the current vision statements of the Chief of Staff of the Army, the Chief of Naval Operations and the Commandant of the Marine Corps, and the Chief of Staff of the Air Force, including the following concepts:

(A) Air Force expeditionary aerospace forces.

(B) Army medium weight brigades.

(C) Navy forward from the sea.

(d) FUNDING.—Of the amount authorized to be appropriated under section 201(2) for joint experimentation, $6,000,000 shall be available only for planning the joint field experiment required under this section.

SEC. 212. NUCLEAR AIRCRAFT CARRIER DESIGN AND PRODUCTION MODELING.

Of the amount authorized to be appropriated under section 201(2) for the Navy for nuclear aircraft carrier design and production modeling, $10,000,000 shall be available for the conversion and development of nuclear aircraft carrier design data into an electronic, three-dimensional product model.

SEC. 213. DD–21 CLASS DESTROYER PROGRAM.

(a) AUTHORITY.—The Secretary of the Navy is authorized to pursue a technology insertion approach for the construction of the DD–21 destroyer on the following schedule:

(1) Commencement of construction during fiscal year 2004.

(2) Delivery of the completed vessel during fiscal year 2009.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) there are compelling reasons for starting the program for constructing the DD–21 destroyer in fiscal year 2004 and continuing with sequential construction of DD–21 class destroyers during the ensuing fiscal years until 32 DD–21 class destroyers are constructed; and

(2) the Secretary of the Navy, in providing for the acquisition of DD–21 class destroyers, should consider that—

(A) the Marine Corps needs the surface fire support capabilities of the DD–21 class destroyers as soon as possible in order to mitigate the inadequacies of the surface fire support capabilities that are currently available;

(B) the Navy and Marine Corps need to resolve whether there is a requirement for surface fire support missile weapon systems to be easily sustainable by means of replenishment while under way;

(C) the technology insertion approach has been successful for other ship construction programs and is being pursued for the CVN(X) and Virginia class submarine programs;

(D) the establishment of a stable configuration for the first 10 DD–21 class destroyers should enable the construction of the ships with the greatest capabilities at the lowest cost; and

(E) action to acquire DD–21 class destroyers should be taken as soon as possible in order to realize fully the cost savings that can be derived from the construction and operation of DD–21 class destroyers, including—

(i) savings in construction costs that would result from achievement of the Navy's target per-ship cost of $750,000,000 by the fifth ship constructed in each construction yard;

(ii) savings that will result from the estimated reduction of the crews of destroyers by 200 or more personnel for each ship; and

(iii) savings that will result from a reduction in the operating costs for destroyers by an estimated 70 percent.

(c) NAVY PLAN FOR USE OF TECHNOLOGY INSERTION APPROACH FOR CONSTRUCTION OF THE DD–21 SHIP.—The Secretary of the Navy shall submit to the Committees on Armed Services of the Senate and the House of Representatives, not later than April 18, 2001, a plan for pursuing a technology insertion approach for the construction of the DD–21 destroyer as authorized under subsection (a). The plan shall include estimates of the resources necessary to execute the plan.

(d) REPORT ON ACQUISITION AND MAINTENANCE PLAN FOR DD–21 CLASS SHIPS.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives, not later than April 18, 2001, a report on the Navy's plan for the acquisition and maintenance of DD–21 class destroyers. The report shall include a discussion of each of the following matters:

(1) The technical feasibility of commencing construction of the DD–21 destroyer in fiscal year 2004 and achieving delivery of the completed ship to the Navy during fiscal year 2009.

(2) An analysis of the advantages and disadvantages of various contracting strategies for the construction of the first 10 DD–21 class destroyers, including one or more multiyear procurement strategies and one or more strategies for block buy in economic order quantity.

(3) The effects on the destroyer industrial base and on costs to other Navy shipbuilding programs of delaying the commencement of construction of the DD–21 destroyer until fiscal year 2005 and delaying the commencement of construction of the next DD–21 class destroyer until fiscal year 2007.

(4) The effects on the fleet maintenance strategies of Navy fleet commanders, on commercial maintenance facilities in fleet concentration areas, and on the administration of funds in compliance with section 2466 of title 10, United States Code, of awarding to a contractor for the construction of a DD–21 class destroyer all maintenance workloads for DD–21 class destroyers that are below depot-level maintenance and above ship-level maintenance.

SEC. 214. F–22 AIRCRAFT PROGRAM.

Section 217(c) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1660) is amended by adding at the end the following:

''(3) With respect to the limitation in subsection (a), an increase by an amount that does not exceed one percent of the total amount of that limitation (taking into account the increases and decreases, if any, under paragraphs (1) and (2)) if the Director of Operational Test and Evaluation, after consulting with the Under Secretary of Defense for Acquisition, Technology, and Logistics, determines that the increase is necessary in order to ensure adequate testing.''.

SEC. 215. JOINT STRIKE FIGHTER PROGRAM.

(a) REPORT.—Not later than December 15, 2000, the Secretary shall submit to Congress a report on the joint strike fighter program. The report shall contain the following:

(1) A description of the program as the program has been restructured before the date of the report, including any modified acquisition strategy that has been incorporated into the program.

(2) The exit criteria that have been established to ensure that technical risks are at levels acceptable for entry of the program into engineering and manufacturing development.

(b) TRANSFERS FROM OTHER NAVY AND AIR FORCE ACCOUNTS.—(1) Notwithstanding any other provision of this Act, the Secretary may transfer to the joint strike fighter program or within the joint strike fighter program amounts authorized to be appropriated under section 201 for a purpose other than the purpose of the authorization of appropriations to which transferred, as follows:

(A) Of the funds authorized to be appropriated under section 201(2), up to $150,000,000.

(B) Of the funds authorized to be appropriated under section 201(3), up to $150,000,000.

(2) The transfer authority under paragraph (1) is in addition to the transfer authority provided in section 1001.

SEC. 216. GLOBAL HAWK HIGH ALTITUDE ENDURANCE UNMANNED AERIAL VEHICLE.

(a) CONCEPT DEMONSTRATION REQUIRED.—The Secretary of Defense shall require and coordinate a concept demonstration of the Global Hawk high altitude endurance unmanned aerial vehicle.

(b) PURPOSE OF DEMONSTRATION.—The purpose of the concept demonstration is to demonstrate the capability of the Global Hawk high altitude endurance unmanned aerial vehicle to operate in an airborne surveillance mode, using available, non-developmental technology.

(c) TIME FOR DEMONSTRATION.—The demonstration shall take place as early in fiscal year 2001 as the Secretary determines practicable.

(d) PARTICIPATION BY CINCS.—The Secretary shall require the Commander in Chief of the United States Joint Forces Command and the Commander in Chief of the United States Southern Command jointly to provide guidance for the demonstration and otherwise to participate in the demonstration.

(e) SCENARIO FOR DEMONSTRATION.—The demonstration shall be conducted in a counter-drug surveillance scenario that is designed to replicate factual conditions typically encountered in the performance of the counter-drug surveillance mission of the Commander in Chief of the United States Southern Command within that commander's area of responsibility.

(f) REPORT.—Not later than 45 days after the concept demonstration is completed, the Secretary shall submit to Congress a report on the results of the demonstration. The report shall include the following:

(1) The Secretary's assessment of the technical feasibility of using the Global Hawk high altitude endurance unmanned aerial vehicle for airborne air surveillance.

(2) A discussion of the operational concept for the use of the vehicle for that purpose.

SEC. 217. UNMANNED ADVANCED CAPABILITY AIRCRAFT AND GROUND COMBAT VEHICLES.

(a) GOAL.—It shall be a goal of the Armed Forces to achieve the fielding of unmanned, remotely controlled technology such that—

(1) by 2010, one-third of the operational deep strike aircraft of the Armed Forces are unmanned; and

(2) by 2015, one-third of the operational ground combat vehicles of the Armed Forces are unmanned.

(b) REPORT ON ADVANCED CAPABILITY GROUND COMBAT VEHICLES.—Not later than January 31, 2001, the Secretary of Defense shall submit to the congressional defense committees a report on each of the programs undertaken by the Secretaries of the Army, Navy, and Air Force jointly with the Director of the Defense Advanced Research Projects Agency to demonstrate advanced capability ground combat vehicles. The report shall include the following for the program of each military department:

(1) A schedule for the program, including, in the case of the Army program, a schedule for the demonstration of the capability for unmanned, remotely controlled operation of advanced capability ground combat vehicles for the Army.

(2) An identification of the funding required for fiscal year 2002 and for the future-years defense program to carry out the program and, in the case of the Army program, for the demonstration described in paragraph (1).

(3) A description and assessment of the acquisition strategy for unmanned ground combat vehicles planned by the Secretary of the military department concerned, together with a complete identification of all operation, support, ownership, and other costs required to carry out such strategy through the year 2030.

(c) FUNDS.—Of the amount authorized to be appropriated for Defense-wide activities under section 201(4) for the Defense Advanced Research Projects Agency, $200,000,000 shall be available only to carry out the programs referred to in subsection (b).

SEC. 218. ARMY SPACE CONTROL TECHNOLOGY DEVELOPMENT.

(a) KINETIC ENERGY ANTI-SATELLITE TECHNOLOGY PROGRAM.—Of the funds authorized to be appropriated under section 201(4), $20,000,000 shall be available for the kinetic energy anti-satellite technology program.

(b) OTHER ARMY SPACE CONTROL TECHNOLOGY DEVELOPMENT.—Of the funds authorized to be appropriated under section 201(4), $5,000,000 shall be available for the development of space control technologies that emphasize reversible or temporary effects.

(c) LIMITATION.—None of the funds made available pursuant to subsection (b) may be obligated until the funds provided for the kinetic energy anti-satellite technology program under subsection (a) have been released to the kinetic energy anti-satellite technology program manager.

SEC. 219. RUSSIAN AMERICAN OBSERVATION SATELLITES PROGRAM.

None of the funds authorized to be appropriated under section 201(4) for the Russian American Observation Satellites program may be obligated or expended until 30 days after the Secretary of Defense submits to Congress a report explaining how the Secretary plans to protect United States advanced military technology that may be associated with the Russian American Observation Satellites program.

SEC. 220. JOINT BIOLOGICAL DEFENSE PROGRAM.

(a) LIMITATION.—Funds authorized to be appropriated by this Act may not be obligated for the procurement of a vaccine for the biological agent anthrax until the Secretary of Defense has submitted to the congressional defense committees the following:

(1) A written notification that the Food and Drug Administration has approved for production of the vaccine the manufacturing source from which the Department of Defense is procuring the vaccine as of the date of the enactment of this Act (hereafter in this section referred to as the ''current manufacturer'').

(2) A report on the contingencies associated with continuing to rely on the current manufacturer to supply anthrax vaccine.

(b) CONTENT OF REPORT.—The report required under subsection (a)(2) shall include the following:

(1) Recommended strategies to mitigate the risk to the Department of Defense of losing the current manufacturer as a source of anthrax vaccine, together with a discussion of the criteria to be applied in determining whether to carry out any of the strategies and which strategy to carry out.

(2) Recommended strategies to ensure that the Department of Defense can procure from any source or sources an anthrax vaccine approved by the Food and Drug Administration that meets the requirements of the department if—

(A) the Food and Drug Administration does not approve the release of the anthrax vaccine available from the current manufacturer; or

(B) the current manufacturer terminates the production of anthrax vaccine permanently.

(3) A five-year budget to support each strategy recommended under paragraph (1) or (2).

SEC. 221. REPORT ON BIOLOGICAL WARFARE DEFENSE VACCINE RESEARCH AND DEVELOPMENT PROGRAMS.

(a) REQUIREMENT FOR REPORT.—The Secretary of Defense shall submit to the congressional defense committees, not later than February 1, 2001, a report on the acquisition of biological warfare defense vaccines for the Department of Defense.

(b) CONTENT OF REPORT.—The report shall include the following:

(1) The Secretary's evaluation of the implications of reliance on the commercial sector to meet the requirements of the Department of Defense for biological warfare defense vaccines.

(2) A complete design for a facility at an alternative site determined by the Secretary that is designed to be operated under government ownership by a contractor for the production of biological warfare defense vaccines to meet the current and future requirements of the Department of Defense for biological warfare defense vaccines, together with—

(A) an estimation of the cost of contractor operation of such a facility for that purpose;

(B) a determination, developed in consultation with the Surgeon General of the United States, on the utility of such a facility to support civilian vaccine requirements and a discussion of the effects that the use of the facility for that purpose would have on the operating costs for vaccine production at the facility; and

(C) an analysis of the effects that international demand for vaccines would have on the operating costs for vaccine production at such a facility.

(c) BIOLOGICAL WARFARE DEFENSE VACCINE DEFINED.—In this section, the term ''biological

warfare defense vaccine'' means a vaccine useful for the immunization of military personnel to protect against biological agents on the Validated Threat List issued by the Joint Chiefs of Staff, whether such vaccine is in production or is being developed.

SEC. 222. TECHNOLOGIES FOR DETECTION AND TRANSPORT OF POLLUTANTS ATTRIBUTABLE TO LIVE-FIRE ACTIVITIES.

(a) INCREASE IN AMOUNT.—The amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation Defense-wide is hereby increased by $5,000,000.

(b) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(4), as increased by subsection (a), the amount available for the Strategic Environmental Research and Development Program (PE6034716D) is hereby increased by $5,000,000, with the amount of such increase available for the development and test of technologies to detect, analyze, and map the presence of, and transport of, pollutants and contaminants at sites undergoing the detection and remediation of constituents attributable to live-fire activities in a variety of hydrogeological scenarios.

(c) ADDITIONAL REQUIREMENT.—Performance measures shall be established for the technologies described in subsection (b) for purposes of facilitating the implementation and utilization of such technologies by the Department of Defense.

(d) OFFSET.—The amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation, Defense-wide is hereby decreased by $5,000,000, with the amount of such decrease applied to Computing Systems and Communications Technology (PE602301E).

SEC. 223. ACOUSTIC MINE DETECTION.

(a) INCREASE IN AMOUNT.—(1) The amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army is hereby increased by $2,500,000.

(2) Of the amount authorized to be appropriated by section 201(1), as increased by paragraph (1), the amount available for Countermine Systems (PE602712A) is hereby increased by $2,500,000, with the amount of such increase available for research in acoustic mine detection.

(b) OFFSET.—The amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation Defense-wide is hereby decreased by $2,500,000, with the amount of such decrease to be applied to Sensor Guidance Technology (PE603762E).

SEC. 224. OPERATIONAL TECHNOLOGIES FOR MOUNTED MANEUVER FORCES.

(a) INCREASE IN AMOUNT.—(1) The amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army is hereby increased by $5,000,000.

(2) Of the amount authorized to be appropriated by section 201(1), as increased by paragraph (1), the amount available for Concepts Experimentation Program (PE605326A) is hereby increased by $5,000,000, with the amount of such increase available for test and evaluation of future operational technologies for use by mounted maneuver forces.

(b) OFFSET.—The amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation Defense-wide is hereby decreased by $5,000,000, with the amount of such decrease to be applied to Computing Systems and Communications Technology (PE602301E).

SEC. 225. AIR LOGISTICS TECHNOLOGY.

(a) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation Defense-wide, the amount available for Generic Logistics Research and Development Technology Demonstrations (PE603712S) is hereby increased by $300,000, with the amount of such increase available for air logistics technology.

(b) OFFSET.—Of the amount authorized to be appropriated by section 201(4), the amount available for Computing Systems and Communications Technology (PE602301E) is hereby decreased by $300,000.

SEC. 226. PRECISION LOCATION AND IDENTIFICATION PROGRAM (PLAID).

(a) INCREASE IN AMOUNT.—(1) The amount authorized to be appropriated by section 201(3) for research, development, test, and evaluation for the Air Force is hereby increased by $8,000,000.

(2) Of the amount authorized to be appropriated by section 201(3), as increased by paragraph (1), the amount available for Electronic Warfare Development (PE604270F) is hereby increased by $8,000,000, with the amount of such increase available for the Precision Location and Identification Program (PLAID).

(b) OFFSET.—The amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army is hereby decreased by $8,000,000, with the amount of the reduction applied to Electronic Warfare Development (PE604270A).

SEC. 227. NAVY INFORMATION TECHNOLOGY CENTER AND HUMAN RESOURCE ENTERPRISE STRATEGY.

(a) AVAILABILITY OF INCREASED AMOUNT.—(1) Of the amount authorized to be appropriated by section 201(2), for research, development, test, and evaluation for the Navy, $5,000,000 shall be available for the Navy Program Executive Office for Information Technology for purposes of the Information Technology Center and for the Human Resource Enterprise Strategy implemented under section 8147 of the Department of Defense Appropriations Act, 1999 (Public Law 105–262; 112 Stat. 2341; 10 U.S.C. 113 note).

(2) Amounts made available under paragraph (1) for the purposes specified in that paragraph are in addition to any other amounts made available under this Act for such purposes.

(b) OFFSET.—Of the amount authorized to be appropriated by section 201(2), the amount available for Marine Corps Assault Vehicles (PE603611M) is hereby reduced by $5,000,000.

SEC. 228. JOINT TECHNOLOGY INFORMATION CENTER INITIATIVE.

Of the amount authorized to be appropriated under section 201(4)—

(1) $20,000,000 shall be available for the Joint Technology Information Center Initiative; and

(2) the amount provided for cyber attack sensing and warning under the information systems security program (account 0303140G) is reduced by $20,000,000.

SEC. 229. AMMUNITION RISK ANALYSIS CAPABILITIES.

(a) AVAILABILITY OF AMOUNT.—Of the amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation Defense-wide, the amount available for Explosives Demilitarization Technology (PE603104D) is hereby increased by $5,000,000, with the amount of such increase available for research into ammunition risk analysis capabilities.

(b) OFFSET.—Of the amount authorized to be appropriated by section 201(4), the amount available for Computing Systems and Communications Technology (PE602301E) is hereby decreased by $5,000,000.

SEC. 230. FUNDING FOR COMPARISONS OF MEDIUM ARMORED COMBAT VEHICLES.

Of the amount authorized to be appropriated under section 201(1), $40,000,000 shall be available for the advanced tank armament system program for the development and execution of the plan for comparing costs and operational effectiveness of medium armored combat vehicles required under section 112(b).

Subtitle C—Other Matters

SEC. 241. MOBILE OFFSHORE BASE.

(a) REPORT.—Not later than March 1, 2001, the Secretary of Defense shall submit to Congress a report on the mobile offshore base concept.

(b) CONTENT OF REPORT.—The report shall contain the following:

(1) A cost-benefit analysis of the mobile offshore base, using operational concepts that would support the National Military Strategy.

(2) A recommendation regarding whether to proceed with the mobile offshore base as a program and, if so—

(A) a statement regarding which of the Armed Forces is to be designated to have the lead responsibility for the program; and

(B) a schedule for the program.

SEC. 242. AIR FORCE SCIENCE AND TECHNOLOGY PLANNING.

(a) REPORT.—Not later than one year after the date of the enactment of this Act, the Secretary of the Air Force shall submit to the congressional defense committees a report on the long-term challenges and short-term objectives of the Air Force science and technology program. The report shall include the following:

(1) An assessment of the budgetary resources that are being used for fiscal year 2001 for addressing the long-term challenges and the short-term objectives.

(2) The budgetary resources that are necessary to address those challenges and objectives adequately.

(3) A course of action for any projected or ongoing Air Force science and technology programs that do not address either the long-term challenges or the short-term objectives.

(4) The matters required under subsection (b)(5) and (c)(6).

(b) LONG-TERM CHALLENGES.—(1) The Secretary of the Air Force shall establish an integrated product team to identify high-risk, high-payoff challenges that will provide a long-term focus and motivation for the Air Force science and technology program over the next 20 to 50 years. The integrated product team shall include representatives of the Office of Scientific Research and personnel from the Air Force Research Laboratory.

(2) The team shall solicit views from the entire Air Force science and technology community on the matters under consideration by the team.

(3) The team—

(A) shall select for consideration science and technology challenges that involve—

(i) compelling requirements of the Air Force;

(ii) high-risk, high-payoff areas of exploration; and

(iii) very difficult, but probably achievable, results; and

(B) should not include as a selected challenge any linear extension of an ongoing Air Force science and technology program.

(4) The Deputy Assistant Secretary of the Air Force for Science, Technology, and Engineering shall designate a technical coordinator and a management coordinator for each science and technology challenge identified pursuant to this subsection. Each technical coordinator shall have sufficient expertise in fields related to the challenge to be able to identify other experts and affirm the credibility of the program. The coordinator for a science and technology challenge shall conduct workshops within the relevant scientific and technological community to obtain suggestions for possible approaches to addressing the challenge, to identify ongoing work that addresses the challenge, to identify gaps in current work relating to the challenge, and to highlight promising areas of research.

(5) The report required by subsection (a) shall, at a minimum, provide information on each science and technology challenge identified pursuant to this subsection and describe the results of the workshops conducted pursuant to paragraph (4), including any work not currently funded by the Air Force that should be performed to meet the challenge.

(c) SHORT-TERM OBJECTIVES.—(1) The Secretary of the Air Force shall establish a task force to identify short-term technological objectives of the Air Force science and technology program. The task force shall be chaired by the

Deputy Assistant Secretary of the Air Force for Science, Technology, and Engineering and shall include representatives of the Chief of Staff of the Air Force and the specified combatant commands of the Air Force.

(2) The task force shall solicit views from the entire Air Force requirements community, user community, and acquisition community.

(3) The task force shall select for consideration short-term objectives that involve—

(A) compelling requirements of the Air Force;

(B) support in the user community; and

(C) likely attainment of the desired benefits within a 5-year period.

(4) The Deputy Assistant Secretary of the Air Force for Science, Technology, and Engineering shall establish an integrated product team for each short-term objective identified pursuant to this subsection. Each integrated product team shall include representatives of the requirements community, the user community, and the science and technology community with relevant expertise.

(5) The integrated product team for a short-term objective shall be responsible for—

(A) identifying, defining, and prioritizing the enabling capabilities that are necessary for achieving the objective;

(B) identifying gaps in the enabling capabilities that must be addressed if the short-term objective is to be achieved; and

(C) working with the Air Force science and technology community to identify science and technology projects and programs that should be undertaken to fill each gap in an enabling capability.

(6) The report required by subsection (a) shall, at a minimum, describe each short-term science and technology objective identified pursuant to this subsection and describe the work of the integrated product teams conducted pursuant to paragraph (5), including any gaps identified in enabling capabilities and the science and technology work that should be undertaken to fill each such gap.

SEC. 243. ENHANCEMENT OF AUTHORITIES REGARDING EDUCATION PARTNERSHIPS FOR PURPOSES OF ENCOURAGING SCIENTIFIC STUDY.

(a) ASSISTANCE IN SUPPORT OF PARTNERSHIPS.—Subsection (b) of section 2194 of title 10, United States Code, is amended—

(1) in the matter preceding paragraph (1), by inserting ''\, and is encouraged to provide,'' after ''may provide'';

(2) in paragraph (1), by inserting before the semicolon the following: ''for any purpose and duration in support of such agreement that the director considers appropriate''; and

(3) by striking paragraph (2) and inserting the following new paragraph (2):

''(2) notwithstanding the provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) or any provision of law or regulation relating to transfers of surplus property, transferring to the institution any defense laboratory equipment (regardless of the nature of type of such equipment) surplus to the needs of the defense laboratory that is determined by the director to be appropriate for support of such agreement;''.

(b) DEFENSE LABORATORY DEFINED.—Subsection (e) of that section is amended to read as follows:

''(e) In this section:

''(1) The term 'defense laboratory' means any laboratory, product center, test center, depot, training and educational organization, or operational command under the jurisdiction of the Department of Defense.

''(2) The term 'local educational agency' has the meaning given such term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).''.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 2001 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $19,031,031,000.

(2) For the Navy, $23,254,154,000.

(3) For the Marine Corps, $2,746,558,000.

(4) For the Air Force, $22,389,077,000.

(5) For Defense-wide activities, $11,922,069,000.

(6) For the Army Reserve, $1,526,418,000.

(7) For the Naval Reserve, $965,946,000.

(8) For the Marine Corps Reserve, $138,959,000.

(9) For the Air Force Reserve, $1,890,859,000.

(10) For the Army National Guard, $3,222,335,000.

(11) For the Air National Guard, $3,450,875,000.

(12) For the Defense Inspector General, $144,245,000.

(13) For the United States Court of Appeals for the Armed Forces, $8,574,000.

(14) For Environmental Restoration, Army, $389,932,000.

(15) For Environmental Restoration, Navy, $294,038,000.

(16) For Environmental Restoration, Air Force, $376,300,000.

(17) For Environmental Restoration, Defense-wide, $23,412,000.

(18) For Environmental Restoration, Formerly Used Defense Sites, $231,499,000.

(19) For Overseas Humanitarian, Disaster, and Civic Aid programs, $55,400,000.

(20) For Drug Interdiction and Counter-drug Activities, Defense-wide, $845,300,000.

(21) For the Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Trust Fund, $25,000,000.

(22) For Defense Health Program, $11,401,723,000.

(23) For Cooperative Threat Reduction programs, $458,400,000.

(24) For Overseas Contingency Operations Transfer Fund, $4,100,577,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 2001 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Working Capital Funds, $916,276,000.

(2) For the National Defense Sealift Fund, $388,158,000.

SEC. 303. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 2001 from the Armed Forces Retirement Home Trust Fund the sum of $69,832,000 for the operation of the Armed Forces Retirement Home, including the United States Soldiers' and Airmen's Home and the Naval Home.

SEC. 304. TRANSFER FROM NATIONAL DEFENSE STOCKPILE TRANSACTION FUND.

(a) TRANSFER AUTHORITY.—To the extent provided in appropriations Acts, not more than $150,000,000 is authorized to be transferred from the National Defense Stockpile Transaction Fund to operation and maintenance accounts for fiscal year 2001 in amounts as follows:

(1) For the Army, $50,000,000.

(2) For the Navy, $50,000,000.

(3) For the Air Force, $50,000,000.

(b) TREATMENT OF TRANSFERS.—Amounts transferred under this section—

(1) shall be merged with, and be available for the same purposes and the same period as, the amounts in the accounts to which transferred; and

(2) may not be expended for an item that has been denied authorization of appropriations by Congress.

(c) RELATIONSHIP TO OTHER TRANSFER AUTHORITY.—The transfer authority provided in this section is in addition to the transfer authority provided in section 1001.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 311. IMPACT AID FOR CHILDREN WITH DISABILITIES.

Of the total amount authorized to be appropriated under section 301(5) for payments under section 8003 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703), $20,000,000 is available only for payments for children with disabilities under subsection (d) of such section.

SEC. 312. JOINT WARFIGHTING CAPABILITIES ASSESSMENT TEAMS.

Of the total amount authorized to be appropriated under section 301(5) for the Joint Staff, $4,000,000 is available only for the improvement of the performance of analyses by the joint warfighting capabilities assessment teams of the Joint Requirements Oversight Council.

SEC. 313. WEATHERPROOFING OF FACILITIES AT KEESLER AIR FORCE BASE, MISSISSIPPI.

Of the total amount authorized to be appropriated by section 301(4), $2,800,000 is available for the weatherproofing of facilities at Keesler Air Force Base, Mississippi.

SEC. 314. DEMONSTRATION PROJECT FOR INTERNET ACCESS AND SERVICES IN RURAL COMMUNITIES.

(a) IN GENERAL.—The Secretary of the Army, acting through the Chief of the National Guard Bureau, shall carry out a demonstration project to provide Internet access and services to rural communities that are unserved or underserved by the Internet.

(b) PROJECT ELEMENTS.—In carrying out the demonstration project, the Secretary shall—

(1) establish and operate distance learning classrooms in communities described in subsection (a), including any support systems required for such classrooms; and

(2) subject to subsection (c), provide Internet access and services in such classrooms through GuardNet, the telecommunications infrastructure of the National Guard.

(c) AVAILABILITY OF ACCESS AND SERVICES.—Under the demonstration project, Internet access and services shall be available to the following:

(1) Personnel and elements of governmental emergency management and response entities located in communities served by the demonstration project.

(2) Members and units of the Army National Guard located in such communities.

(3) Businesses located in such communities.

(4) Personnel and elements of local governments in such communities.

(5) Other appropriate individuals and entities located in such communities.

(d) REPORT.—Not later than February 1, 2005, the Secretary shall submit to Congress a report on the demonstration project. The report shall describe the activities under the demonstration project and include any recommendations for the improvement or expansion of the demonstration project that the Secretary considers appropriate.

(e) FUNDING.—(1) The amount authorized to be appropriated by section 301(10) for operation and maintenance of the Army National Guard is hereby increased by $15,000,000.

(2) Of the amount authorized to be appropriated by section 301(10), as increased by paragraph (1), $15,000,000 shall be available for the demonstration project required by this section.

(3) It is the sense of Congress that requests of the President for funds for the National Guard for fiscal years after fiscal year 2001 should provide for sufficient funds for the continuation of

the demonstration project required by this section.

SEC. 315. TETHERED AEROSTAT RADAR SYSTEM (TARS) SITES.

(a) FINDINGS.—Congress makes the following findings:

(1) Failure to operate and standardize the current Tethered Aerostat Radar System (TARS) sites along the Southwest border of the United States and the Gulf of Mexico will result in a degradation of the counterdrug capability of the United States.

(2) Most of the illicit drugs consumed in the United States enter the United States through the Southwest border, the Gulf of Mexico, and Florida.

(3) The Tethered Aerostat Radar System is a critical component of the counterdrug mission of the United States relating to the detection and apprehension of drug traffickers.

(4) Preservation of the current Tethered Aerostat Radar System network compels drug traffickers to transport illicit narcotics into the United States by more risky and hazardous routes.

(b) AVAILABILITY OF FUNDS.—Of the amount authorized to be appropriated by section 301(20) for Drug Interdiction and Counter-drug Activities, Defense-wide, up to $33,000,000 may be made available to Drug Enforcement Policy Support (DEP&S) for purposes of maintaining operations of the 11 current Tethered Aerostat Radar System (TARS) sites and completing the standardization of such sites located along the Southwest border of the United States and in the States bordering the Gulf of Mexico.

SEC. 316. MOUNTED URBAN COMBAT TRAINING SITE, FORT KNOX, KENTUCKY.

Of the total amount authorized to be appropriated under section 301(1) for training range upgrades, $4,000,000 is available for the Mounted Urban Combat Training site, Fort Knox, Kentucky.

SEC. 317. MK–45 OVERHAUL.

Of the total amount authorized to be appropriated under section 301(1) for maintenance, $12,000,000 is available for overhaul of MK–45 5-inch guns.

SEC. 318. INDUSTRIAL MOBILIZATION CAPACITY AT GOVERNMENT-OWNED, GOVERNMENT-OPERATED ARMY AMMUNITION FACILITIES AND ARSENALS.

Of the amount authorized to be appropriated under section 301(1), $51,280,000 shall be available for funding the industrial mobilization capacity at Army ammunition facilities and arsenals that are government owned, government operated.

SEC. 319. CLOSE-IN WEAPON SYSTEM OVERHAULS.

Of the total amount authorized to be appropriated by section 301(2), $391,806,000 is available for weapons maintenance.

SEC. 320. SPECTRUM DATA BASE UPGRADES.

The total amount authorized to be appropriated by section 301(5) for Spectrum data base upgrades is reduced by $10,000,000.

Subtitle C—Humanitarian and Civic Assistance

SEC. 321. INCREASED AUTHORITY TO PROVIDE HEALTH CARE SERVICES AS HUMANITARIAN AND CIVIC ASSISTANCE.

Section 401(e)(1) of title 10, United States Code, is amended by striking ''rural areas of a country'' and inserting ''areas of a country that are rural or are underserved by medical, dental, and veterinary professionals, respectively''.

SEC. 322. USE OF HUMANITARIAN AND CIVIC ASSISTANCE FUNDING FOR PAY AND ALLOWANCES OF SPECIAL OPERATIONS COMMAND RESERVES FURNISHING DEMINING TRAINING AND RELATED ASSISTANCE AS HUMANITARIAN ASSISTANCE.

Section 401(c) of title 10, United States Code, is amended by adding at the end the following:

''(5) Up to 10 percent of the funds available in any fiscal year for humanitarian and civic assistance described in subsection (e)(5) may be expended for the pay and allowances of reserve component personnel of the Special Operations Command for periods of duty for which the personnel, for a humanitarian purpose, furnish education and training on the detection and clearance of landmines or furnish related technical assistance.''.

Subtitle D—Department of Defense Industrial Facilities

SEC. 331. CODIFICATION AND IMPROVEMENT OF ARMAMENT RETOOLING AND MANUFACTURING SUPPORT PROGRAMS.

(a) IN GENERAL.—(1) Part IV of subtitle B of title 10, United States Code, is amended by inserting after chapter 433 the following:

''CHAPTER 434—ARMAMENTS INDUSTRIAL BASE

''Sec.
''4551. Policy.
''4552. Armament Retooling and Manufacturing Support Initiative.
''4553. Property management contracts and leases.
''4554. ARMS Initiative loan guarantee program.
''4555. Definitions.

''§ 4551. Policy

''It is the policy of the United States—

''(1) to encourage, to the maximum extent practicable, commercial firms to use Government-owned, contractor-operated ammunition manufacturing facilities of the Department of the Army;

''(2) to use such facilities for supporting programs, projects, policies, and initiatives that promote competition in the private sector of the United States economy and that advance United States interests in the global marketplace;

''(3) to increase the manufacture of products inside the United States;

''(4) to support policies and programs that provide manufacturers with incentives to assist the United States in making more efficient and economical use of Government-owned industrial plants and equipment for commercial purposes;

''(5) to provide, as appropriate, small businesses (including socially and economically disadvantaged small business concerns and new small businesses) with incentives that encourage those businesses to undertake manufacturing and other industrial processing activities that contribute to the prosperity of the United States;

''(6) to encourage the creation of jobs through increased investment in the private sector of the United States economy;

''(7) to foster a more efficient, cost-effective, and adaptable armaments industry in the United States;

''(8) to achieve, with respect to armaments manufacturing capacity, an optimum level of readiness of the national technology and industrial base within the United States that is consistent with the projected threats to the national security of the United States and the projected emergency requirements of the Armed Forces of the United States; and

''(9) to encourage facility use contracting where feasible.

''§ 4552. Armament Retooling and Manufacturing Support Initiative

''(a) AUTHORITY FOR INITIATIVE.—The Secretary of the Army may carry out a program to be known as the 'Armament Retooling and Manufacturing Support Initiative' (hereafter in this chapter referred to as the 'ARMS Initiative').

''(b) PURPOSES.—The purposes of the ARMS Initiative are as follows:

''(1) To encourage commercial firms, to the maximum extent practicable, to use Government-owned, contractor-operated ammunition manufacturing facilities of the Department of the Army for commercial purposes.

''(2) To increase the opportunities for small businesses (including socially and economically disadvantaged small business concerns and new small businesses) to use such facilities for those purposes.

''(3) To maintain in the United States a work force having the skills in manufacturing processes that are necessary to meet industrial emergency planned requirements for national security purposes.

''(4) To demonstrate innovative business practices, to support Department of Defense acquisition reform, and to serve as both a model and a laboratory for future defense conversion initiatives of the Department of Defense.

''(5) To the maximum extent practicable, to allow the operation of Government-owned, contractor-operated ammunition manufacturing facilities of the Department of the Army to be rapidly responsive to the forces of free market competition.

''(6) To reduce or eliminate the cost of ownership of ammunition manufacturing facilities by the Department of the Army, including the costs of operations and maintenance, the costs of environmental remediation, and other costs.

''(7) To reduce the cost of products of the Department of Defense produced at ammunition manufacturing facilities of the Department of the Army.

''(8) To leverage private investment at Government-owned, contractor-operated ammunition manufacturing facilities through long-term facility use contracts, property management contracts, leases, or other agreements that support and advance the policies and purposes of this chapter, for the following activities:

''(A) Recapitalization of plant and equipment.

''(B) Environmental remediation.

''(C) Promotion of commercial business ventures.

''(D) Other activities.

''(9) To foster cooperation between the Department of the Army, property managers, commercial interests, and State and local agencies in the implementation of sustainable development strategies and investment in facilities made available for purposes of the ARMS Initiative.

''(10) To reduce or eliminate the cost of asset disposal prior to a declaration by the Secretary of the Army that property is excess to the needs of the Department of the Army.

''(c) AVAILABILITY OF FACILITIES.—(1) The Secretary of the Army may make any Government-owned, contractor-operated ammunition manufacturing facility of the Department of the Army available for the purposes of the ARMS Initiative.

''(2) The authority under paragraph (1) applies to a facility described in that paragraph without regard to whether the facility is active, inactive, in layaway or caretaker status, or is designated (in whole or in part) as excess property under property classification procedures applicable under title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.).

''(d) PRECEDENCE OF PROVISION OVER CERTAIN PROPERTY MANAGEMENT LAWS.—The following provisions of law shall not apply to uses of property or facilities in accordance with this section to the extent that such provisions of law are inconsistent with the exercise of the authority of this section:

''(1) Section 2667(a)(3) of this title.

''(2) The Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

''(3) Section 321 of the Act of June 30, 1932 (commonly known as the 'Economy Act') (40 U.S.C. 303b).

''(e) PROGRAM SUPPORT.—(1) Funds appropriated for purposes of the ARMS Initiative may be used for administrative support and management.

''(2) A full annual accounting of such expenses for each fiscal year shall be provided to the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives not later than March 30 of the following fiscal year.

"§ 4553. Property management contracts and leases

''(a) IN GENERAL.—In the case of each Government-owned, contractor-operated ammunition manufacturing facility of the Department of the Army that is made available for the ARMS Initiative, the Secretary of the Army—

''(1) shall make full use of facility use contracts, leases, and other such commercial contractual instruments as may be appropriate;

''(2) shall evaluate, on the basis of efficiency, cost, emergency mobilization requirements, and the goals and purposes of the ARMS Initiative, the procurement of services from the property manager, including maintenance, operation, modification, infrastructure, environmental restoration and remediation, and disposal of ammunition manufacturing assets, and other services; and

''(3) may, in carrying out paragraphs (1) and (2)—

''(A) enter into contracts, and provide for subcontracts, for terms up to 25 years, as the Secretary considers appropriate and consistent with the needs of the Department of the Army and the goals and purposes of the ARMS Initiative; and

''(B) use procedures that are authorized to be used under section 2304(c)(5) of this title when the contractor or subcontractor is a source specified in law.

''(b) CONSIDERATION FOR USE.—(1) To the extent provided in a contract entered into under this section for the use of property at a Government-owned, contractor-operated ammunition manufacturing facility that is accountable under the contract, the Secretary of the Army may accept consideration for such use that is, in whole or in part, in a form other than—

''(A) rental payments; or

''(B) revenue generated at the facility.

''(2) Forms of consideration acceptable under paragraph (1) for a use of a facility or any property at a facility include the following:

''(A) The improvement, maintenance, protection, repair, and restoration of the facility, the property, or any property within the boundaries of the installation where the facility is located.

''(B) Reductions in overhead costs.

''(C) Reductions in product cost.

''(3) The authority under paragraph (1) may be exercised without regard to section 3302(b) of title 31 and any other provision of law.

''(c) REPORTING REQUIREMENT.—Not later than July 1 each year, the Secretary of the Army shall submit to the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives a report on the procedures and controls implemented to carry out this section.

"§ 4554. ARMS Initiative loan guarantee program

''(a) PROGRAM AUTHORIZED.—Subject to subsection (b), the Secretary of the Army may carry out a loan guarantee program to encourage commercial firms to use ammunition manufacturing facilities under this chapter. Under any such program, the Secretary may guarantee the repayment of any loan made to a commercial firm to fund, in whole or in part, the establishment of a commercial activity to use any such facility under this chapter.

''(b) ADVANCED BUDGET AUTHORITY.—Loan guarantees under this section may not be committed except to the extent that appropriations of budget authority to cover their costs are made in advance, as required by section 504 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661c).

''(c) PROGRAM ADMINISTRATION.—(1) The Secretary may enter into an agreement with any of the officials named in paragraph (2) under which that official may, for the purposes of this section—

''(A) process applications for loan guarantees;

''(B) guarantee repayment of loans; and

''(C) provide any other services to the Secretary to administer the loan guarantee program.

''(2) The officials referred to in paragraph (1) are as follows:

''(A) The Administrator of the Small Business Administration.

''(B) The head of any appropriate agency in the Department of Agriculture, including—

''(i) the Administrator of the Farmers Home Administration; and

''(ii) the Administrator of the Rural Development Administration.

''(3) Each official authorized to do so under an agreement entered into under paragraph (1) may guarantee loans under this section to commercial firms of any size, notwithstanding any limitations on the size of applicants imposed on other loan guarantee programs that the official administers.

''(4) To the extent practicable, each official processing loan guarantee applications under this section pursuant to an agreement entered into under paragraph (1) shall use the same processing procedures as the official uses for processing loan guarantee applications under other loan guarantee programs that the official administers.

''(d) LOAN LIMITS.—The maximum amount of loan principal guaranteed during a fiscal year under this section may not exceed—

''(1) $20,000,000, with respect to any single borrower; and

''(2) $320,000,000 with respect to all borrowers.

''(e) TRANSFER OF FUNDS.—The Secretary of the Army may transfer to an official providing services under subsection (c), and that official may accept, such funds as may be necessary to administer the loan guarantee program under this section.

"§ 4555. Definitions

''In this chapter:

''(1) The term 'property manager' includes any person or entity managing a facility made available under the ARMS Initiative through a property management contract.

''(2) The term 'property management contract' includes facility use contracts, site management contracts, leases, and other agreements entered into under the authority of this chapter.''.

(2) The tables of chapters at the beginning of subtitle B of such title and at the beginning of part IV of such subtitle are amended by inserting after the item relating to chapter 433 the following:

"434. Armaments Industrial Base ..... 4551".

(b) RELATIONSHIP TO NATIONAL DEFENSE TECHNOLOGY AND INDUSTRIAL BASE.—(1) Subchapter IV of chapter 148 of title 10, United States Code, is amended—

(A) by redesignating section 2525 as section 2521; and

(B) by adding at the end the following:

"§ 2522. Armament retooling and manufacturing

''The Secretary of the Army is authorized by chapter 434 of this title to carry out programs for the support of armaments retooling and manufacturing in the national defense industrial and technology base.''.

(2) The table of sections at the beginning of such subchapter is amended by striking the item relating to section 2525 and inserting the following:

''2521. Manufacturing Technology Program.

''2522. Armament retooling and manufacturing.''.

(c) REPEAL OF SUPERSEDED LAW.—The Armament Retooling and Manufacturing Support Act of 1992 (subtitle H of title I of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 10 U.S.C. 2501 note)) is repealed.

SEC. 332. CENTERS OF INDUSTRIAL AND TECHNICAL EXCELLENCE.

(a) DESIGNATION OF ARMY ARSENALS.—(1) Subsection (a) of section 2474 of title 10, United States Code, is amended by striking paragraph (1) and inserting the following:

''(1) The Secretary concerned, or the Secretary of Defense in the case of a Defense Agency, shall designate as a Center of Industrial and Technical Excellence in the recognized core competencies of the designee the following:

''(A) Each depot-level activity of the military departments and the Defense Agencies (other than facilities approved for closure or major realignment under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note)).

''(B) Each arsenal of the Army.

''(C) Each government-owned, government-operated ammunition plant of the Army.''.

(2) Paragraph (2) of such subsection is amended—

(A) by inserting ''of Defense'' after ''The Secretary''; and

(B) by striking ''depot-level activities'' and inserting ''Centers of Industrial and Technical Excellence''.

(3) Paragraph (3) of such subsection is amended by striking ''the efficiency and effectiveness of depot-level operations, improve the support provided by depot-level activities'' and inserting ''the efficiency and effectiveness of operations at Centers of Industrial and Technical Excellence, improve the support provided by the Centers''.

(b) PUBLIC-PRIVATE PARTNERSHIPS.—Subsection (b) of such section is amended to read as follows:

''(b) PUBLIC-PRIVATE PARTNERSHIPS.—(1) To achieve one or more objectives set forth in paragraph (2), the Secretary designating a Center of Industrial and Technical Excellence under subsection (a) shall authorize and encourage the head of the Center to enter into public-private cooperative arrangements that provide any of the following:

''(A) For employees of the Center, private industry, or other entities outside the Department of Defense—

''(i) to perform (under contract, subcontract, or otherwise) work in any of the core competencies of the Center, including any depot-level maintenance and repair work that involves one or more core competencies of the Center; or

''(ii) to perform at the Center depot-level maintenance and repair work that does not involve a core competency of the Center.

''(B) For private industry or other entities outside the Department of Defense to use, for any period of time determined to be consistent with the needs of the Department of Defense, any facilities or equipment of the Center that are not fully utilized by a military department for its own production or maintenance requirements.

''(2) The objectives for exercising the authority provided in paragraph (1) are as follows:

''(A) To maximize the utilization of the capacity of a Center of Industrial and Technical Excellence.

''(B) To reduce or eliminate the cost of ownership of a Center by the Department of Defense in such areas of responsibility as operations and maintenance and environmental remediation.

''(C) To reduce the cost of products of the Department of Defense produced or maintained at a Center.

''(D) To leverage private sector investment in—

''(i) such efforts as plant and equipment recapitalization for a Center; and

''(ii) the promotion of the undertaking of commercial business ventures at a Center.

''(E) To foster cooperation between the armed forces and private industry.

''(3) A public-private cooperative arrangement entered into under this subsection shall be known as a 'public-private partnership'.

''(4) The Secretary designating a Center of Industrial and Technical Excellence under subsection (a) may waive the condition in paragraph (1)(A) and subsection (a)(1) of section 2553 of this title that an article or service must be not available (as defined in subsection (g)(2)

of such section) from a United States commercial source in the case of a particular article or service of a public-private partnership if the Secretary determines that the waiver is necessary to achieve one or more objectives set forth in paragraph (2).

''(5) In any sale of articles manufactured or services performed by employees of a Center pursuant to a waiver under paragraph (4), the Secretary shall charge the full cost of manufacturing the articles or performing the services, as the case may be. The full cost charged shall include both direct costs and indirect costs.''.

(c) PRIVATE SECTOR USE OF EXCESS CAPACITY.—Such section is further amended—

(1) striking subsection (d);

(2) by redesignating subsection (c) as subsection (d); and

(3) by inserting after subsection (b) the following new subsection (c):

''(c) PRIVATE SECTOR USE OF EXCESS CAPACITY.—Any facilities or equipment of a Center of Industrial and Technical Excellence made available to private industry may be used to perform maintenance or to produce goods in order to make more efficient and economical use of Government-owned industrial plants and encourage the creation and preservation of jobs to ensure the availability of a workforce with the necessary manufacturing and maintenance skills to meet the needs of the armed forces.''.

(d) CREDITING OF AMOUNTS FOR PERFORMANCE.—Subsection (d) of such section, as redesignated by subsection (c)(2), is amended by adding at the end the following: ''Consideration in the form of rental payments or (notwithstanding section 3302(b) of title 31) in other forms may be accepted for a use of property accountable under a contract performed pursuant to this section. Notwithstanding section 2667(d) of this title, revenues generated pursuant to this section shall be available for facility operations, maintenance, and environmental restoration at the Center where the leased property is located.''.

(e) AVAILABILITY OF EXCESS EQUIPMENT TO PRIVATE-SECTOR PARTNERS.—Such section is further amended by adding at the end the following:

''(e) AVAILABILITY OF EXCESS EQUIPMENT TO PRIVATE-SECTOR PARTNERS.—Equipment or facilities of a Center of Industrial and Technical Excellence may be made available for use by a private-sector entity under this section only if—

''(1) the use of the equipment or facilities will not have a significant adverse effect on the readiness of the armed forces, as determined by the Secretary concerned or, in the case of a Center in a Defense Agency, by the Secretary of Defense; and

''(2) the private-sector entity agrees—

''(A) to reimburse the Department of Defense for the direct and indirect costs (including any rental costs) that are attributable to the entity's use of the equipment or facilities, as determined by that Secretary; and

''(B) to hold harmless and indemnify the United States from—

''(i) any claim for damages or injury to any person or property arising out of the use of the equipment or facilities, except in a case of willful conduct or gross negligence; and

''(ii) any liability or claim for damages or injury to any person or property arising out of a decision by the Secretary concerned or the Secretary of Defense to suspend or terminate that use of equipment or facilities during a war or national emergency.

''(f) CONSTRUCTION OF PROVISION.—Nothing in this section may be construed to authorize a change, otherwise prohibited by law, from the performance of work at a Center of Industrial and Technical Excellence by Department of Defense personnel to performance by a contractor.''.

(f) LOAN GUARANTEE PROGRAM FOR SUPPORT OF PUBLIC-PRIVATE PARTNERSHIPS.—Chapter 146 of title 10, United States Code, is amended by adding at the end the following:

''§2475. Centers of Industrial and Technical Excellence: loan guarantee program for support of public-private partnerships

''(a) PROGRAM AUTHORIZED.—Subject to subsection (b), the Secretary of Defense may carry out a loan guarantee program to encourage commercial firms to use Centers of Industrial and Technical Excellence pursuant to section 2474 of this title. Under any such program, the Secretary may guarantee the repayment of any loan made to a commercial firm to fund, in whole or in part, the establishment of public-private partnerships authorized under subsection (b) of such section.

''(b) ADVANCED BUDGET AUTHORITY.—Loan guarantees under this section may not be committed except to the extent that appropriations of budget authority to cover their costs are made in advance, as required by section 504 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661c).

''(c) PROGRAM ADMINISTRATION.—(1) The Secretary may enter into an agreement with any of the officials named in paragraph (2) under which that official may, for the purposes of this section—

''(A) process applications for loan guarantees;

''(B) guarantee repayment of loans; and

''(C) provide any other services to the Secretary to administer the loan guarantee program.

''(2) The officials referred to in paragraph (1) are as follows:

''(A) The Administrator of the Small Business Administration.

''(B) The head of any appropriate agency in the Department of Agriculture, including—

''(i) the Administrator of the Farmers Home Administration; and

''(ii) the Administrator of the Rural Development Administration.

''(3) Each official authorized to do so under an agreement entered into under paragraph (1) may guarantee loans under this section to commercial firms of any size, notwithstanding any limitations on the size of applicants imposed on other loan guarantee programs that the official administers.

''(4) To the extent practicable, each official processing loan guarantee applications under this section pursuant to an agreement entered into under paragraph (1) shall use the same processing procedures as the official uses for processing loan guarantee applications under other loan guarantee programs that the official administers.

''(d) LOAN LIMITS.—The maximum amount of loan principal guaranteed during a fiscal year under this section may not exceed—

''(1) $20,000,000, with respect to any single borrower; and

''(2) $320,000,000 with respect to all borrowers.

''(e) TRANSFER OF FUNDS.—The Secretary of Defense may transfer to an official providing services under subsection (c), and that official may accept, such funds as may be necessary to administer the loan guarantee program under this section.''.

(g) USE OF WORKING CAPITAL-FUNDED FACILITIES.—Section 2208(j) of title 10, United States Code, is amended—

(1) by striking ''contract; and'' in paragraph (1) and all that follows through ''(2) the Department of Defense'' in paragraph (2) and inserting the following: ''contract, and the Department of Defense'';

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

(3) by adding at the end the following:

''(2) the Secretary would advance the objectives set forth in section 2474(b)(2) of this title by authorizing the facility to do so.''.

(h) REPEAL OF GENERAL AUTHORITY TO LEASE EXCESS DEPOT-LEVEL EQUIPMENT AND FACILITIES TO OUTSIDE TENANTS.—Section 2471 of title 10, United States Code, is repealed.

(i) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 146 of such title is amended—

(1) by striking the item relating to section 2471; and

(2) by adding at the end the following:

''2475. Centers of Industrial and Technical Excellence: loan guarantee program for support of public-private partnerships.''.

SEC. 333. EFFECTS OF OUTSOURCING ON OVERHEAD COSTS OF CENTERS OF INDUSTRIAL AND TECHNICAL EXCELLENCE AND AMMUNITION PLANTS.

(a) FINDINGS.—Congress makes the following findings:

(1) Centers of Industrial and Technical Excellence and ammunition plants of the United States comprise a vital component of the national technology and industrial base that ensures that there is sufficient domestic industrial capacity to meet the needs of the Armed Forces for certain critical defense equipment and supplies in time of war or national emergency.

(2) Underutilization of the Centers of Industrial and Technical Excellence and ammunition plants in peacetime does not diminish the critical importance of those centers and ammunition plants to the national defense.

(b) REQUIREMENT FOR REPORTS.—(1) Subchapter V of chapter 148 of title 10, United States Code, is amended by adding at the end the following:

''§2539c. Centers of Industrial and Technical Excellence and ammunition plants of the United States: effects of outsourcing on overhead costs

''Not later than 30 days before any official of the Department of Defense enters into a contract with a private sector source for the performance of a workload already being performed by more than 50 employees at a Center of Industrial and Technical Excellence designated under section 2474(a) of this title or an ammunition plant of the United States, the Secretary of Defense shall submit to Congress a report describing the effect that the performance and administration of the contract will have on the overhead costs of the center or ammunition plant, as the case may be.''.

(2) The table of sections at the beginning of subchapter V of such chapter is amended by adding at the end the following:

''2539c. Centers of Industrial and Technical Excellence and ammunition plants of the United States: effects of outsourcing on overhead costs.''.

SEC. 334. REVISION OF AUTHORITY TO WAIVE LIMITATION ON PERFORMANCE OF DEPOT-LEVEL MAINTENANCE.

Section 2466(c) of title 10, United States Code, is amended to read as follows:

''(c) WAIVER OF LIMITATION.—The President may waive the limitation in subsection (a) for a fiscal year if—

''(1) the President determines that—

''(A) the waiver is necessary for reasons of national security; and

''(B) compliance with the limitation cannot be achieved through effective management of depot operations consistent with those reasons; and

''(2) the President submits to Congress a notification of the waiver together with a discussion of the reasons for the waiver.''.

SEC. 335. UNUTILIZED AND UNDERUTILIZED PLANT-CAPACITY COSTS OF UNITED STATES ARSENALS.

(a) IN GENERAL.—(1) The Secretary of the Army shall submit to Congress each year, together with the President's budget for the fiscal year beginning in such year under section 1105(a) of title 31, an estimate of the funds to be required in the fiscal year in order to cover the costs of operating and maintaining unutilized and underutilized plant capacity at United States arsenals.

(2) Funds appropriated to the Secretary for a fiscal year for costs described in paragraph (1) shall be utilized by the Secretary in such fiscal year only to cover such costs.

(3) Notwithstanding any other provision of law, the Secretary shall not include unutilized or underutilized plant-capacity costs when evaluating an arsenal's bid for purposes of the arsenal's contracting to provide a good or service to a United States Government organization. When an arsenal is subcontracting to a private-sector entity on a good or service to be provided to a United States Government organization, the cost charged by the arsenal shall not include unutilized or underutilized plant-capacity costs that are funded by a direct appropriation.

(b) DEFINITION.—For purposes of this section, the term ''unutilized and underutilized plant-capacity cost'' shall mean the cost associated with operating and maintaining arsenal facilities and equipment that the Secretary of the Army determines are required to be kept for mobilization needs, in those months in which the facilities and equipment are not used or are used only 20 percent or less of available work days.

Subtitle E—Environmental Provisions

SEC. 341. ENVIRONMENTAL RESTORATION ACCOUNTS.

(a) ADDITIONAL ACCOUNT FOR FORMERLY USED DEFENSE SITES.—Subsection (a) of section 2703 of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(5) An account to be known as the 'Environmental Restoration Account, Formerly Used Defense Sites'.''.

(b) ACCOUNTS AS SOLE SOURCE OF FUNDS FOR OPERATION AND MONITORING OF ENVIRONMENTAL REMEDIES.—That section is further amended by adding at the end the following:

''(f) ACCOUNTS AS SOLE SOURCE OF FUNDS FOR ENVIRONMENTAL REMEDIES.—(1) The sole source of funds for the long-term operation and monitoring of an environmental remedy at a facility under the jurisdiction of the Department of Defense shall be the applicable environmental restoration account under subsection (a).

''(2) In this subsection, the term 'environmental remedy' shall have the meaning given the term 'remedy' under section 101(24) of CERCLA (42 U.S.C. 9601(24)).''.

SEC. 342. PAYMENT OF FINES AND PENALTIES FOR ENVIRONMENTAL COMPLIANCE VIOLATIONS.

(a) PAYMENT OF FINES AND PENALTIES.—(1) Chapter 160 of title 10, United States Code, is amended by adding at the end the following new section:

''§2710. Environmental compliance: payment of fines and penalties for violations

''(a) IN GENERAL.—The Secretary of Defense or the Secretary of a military department may not pay a fine or penalty for an environmental compliance violation that is imposed by a Federal agency against the Department of Defense or such military department, as the case may be, unless the payment of the fine or penalty is specifically authorized by law, if the amount of the fine or penalty (including any supplemental environmental projects carried out as part of such penalty) is $1,500,000 or more.

''(b) DEFINITIONS.—In this section:

''(1)(A) Except as provided in subparagraph (B), the term 'environmental compliance', in the case of on-going operations, functions, or activities at a Department of Defense facility, means the activities necessary to ensure that such operations, functions, or activities meet requirements under applicable environmental law.

''(B) The term does not include operations, functions, or activities relating to environmental restoration under this chapter that are conducted using funds in an environmental restoration account under section 2703(a) of this title.

''(2) The term 'violation', in the case of environmental compliance, means an act or omission resulting in the failure to ensure the compliance.

''(c) EXPIRATION OF PROHIBITION.—This section does not apply to any part of a violation described in subsection (a) that occurs on or after the date that is three years after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2001.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''2710. Environmental compliance: payment of fines and penalties for violations.''.

(b) APPLICABILITY.—(1) Section 2710 of title 10, United States Code (as added by subsection (a)), shall take effect on the date of the enactment of this Act.

(2) Subsection (a)(1) of that section, as so added, shall not apply with respect to any supplemental environmental projects referred to in that subsection that were agreed to before the date of the enactment of this Act.

SEC. 343. ANNUAL REPORTS UNDER STRATEGIC ENVIRONMENTAL RESEARCH AND DEVELOPMENT PROGRAM.

(a) REPEAL OF REQUIREMENT FOR ANNUAL REPORT FROM SCIENTIFIC ADVISORY BOARD.—Section 2904 of title 10, United States Code, is amended—

(1) by striking subsection (h); and

(2) by redesignating subsection (i) as subsection (h).

(b) INCLUSION OF ACTIONS OF BOARD IN ANNUAL REPORTS OF COUNCIL.—Section 2902(d)(3) of such title is amended by adding at the end the following subparagraph:

''(D) A summary of the actions of the Strategic Environmental Research and Development Program Scientific Advisory Board during the year preceding the year in which the report is submitted and any recommendations, including recommendations on program direction and legislation, that the Advisory Board considers appropriate regarding the program.''.

SEC. 344. PAYMENT OF FINES OR PENALTIES IMPOSED FOR ENVIRONMENTAL COMPLIANCE VIOLATIONS AT CERTAIN DEPARTMENT OF DEFENSE FACILITIES.

(a) ARMY.—The Secretary of the Army may, from amounts authorized to be appropriated for the Army by this title and available for such purpose, utilize amounts for the purposes and at the locations, as follows:

(1) $993,000 for a Supplemental Environmental Project to implement an installation-wide hazardous substance management system at Walter Reed Army Medical Center, Washington, District of Columbia, in satisfaction of a fine imposed by Environmental Protection Agency Region 3 under the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.).

(2) $377,250 for a Supplemental Environmental Project to install new parts washers at Fort Campbell, Kentucky, in satisfaction of a fine imposed by Environmental Protection Agency Region 4 under the Solid Waste Disposal Act.

(3) $20,701 for a Supplemental Environmental Project to upgrade the wastewater treatment plant at Fort Gordon, Georgia, in satisfaction of a fine imposed by the State of Georgia under the Solid Waste Disposal Act.

(4) $78,500 for Supplemental Environmental Projects to reduce the generation of hazardous waste at Pueblo Chemical Depot, Colorado, in satisfaction of a fine imposed by the State of Colorado under the Solid Waste Disposal Act.

(5) $20,000 for a Supplemental Environmental Project to repair cracks in floors of igloos used to store munitions hazardous waste at Deseret Chemical Depot, Utah, in satisfaction of a fine imposed by the State of Utah under the Solid Waste Disposal Act.

(6) $7,975 for payment to the Texas Natural Resource Conservation Commission of a cash fine for permit violations assessed under the Solid Waste Disposal Act.

(b) NAVY.—The Secretary of the Navy may, from amounts authorized to be appropriated for the Navy by this title and available for such purpose, utilize amounts for the purposes and at the locations, as follows:

(1) $108,800 for payment to the West Virginia Division of Environmental Protection of a cash penalty with respect to Allegany Ballistics Laboratory, West Virginia, under the Solid Waste Disposal Act.

(2) $5,000 for payment to Environmental Protection Agency Region 6 of a cash penalty with respect to Naval Air Station, Corpus Christi, Texas, under the Clean Air Act (42 U.S.C. 7401).

SEC. 345. REIMBURSEMENT FOR CERTAIN COSTS IN CONNECTION WITH THE FORMER NANSEMOND ORDNANCE DEPOT SITE, SUFFOLK, VIRGINIA.

(a) AUTHORITY.—The Secretary of Defense may pay, using funds described in subsection (b), not more than $98,210 to the Former Nansemond Ordnance Depot Site Special Account within the Hazardous Substance Superfund established by section 9507 of the Internal Revenue Code of 1986 (26 U.S.C. 9507) to reimburse the Environmental Protection Agency for costs incurred by the agency in overseeing a time critical removal action under CERCLA being performed by the Department of Defense under the Defense Environmental Restoration Program for ordnance and explosive safety hazards at the Former Nansemond Ordnance Depot Site, Suffolk, Virginia, pursuant to an Interagency Agreement entered into by the Department of the Army and the Environmental Protection Agency on January 3, 2000.

(b) SOURCE OF FUNDS.—Any payment under subsection (a) shall be made using amounts authorized to be appropriated by section 301 to the Environmental Restoration Account, Formerly Used Defense Sites, established by paragraph (5) of section 2703(a) of title 10, United States Code, as added by section 341(a) of this Act.

(c) DEFINITIONS.—In this section:

(1) The term ''CERCLA'' means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).

(2) The term ''Defense Environmental Restoration Program'' means the program of environmental restoration carried out under chapter 160 of title 10, United States Code.

SEC. 346. ENVIRONMENTAL RESTORATION ACTIVITIES.

(a) AUTHORITY TO USE FUNDS FOR FACILITIES RELOCATION.—During the period beginning on October 1, 2000, and ending on September 30, 2003, the Secretary concerned may use funds available under section 2703 of title 10, United States Code, to pay for the costs of permanently relocating facilities because of a release or threatened release of hazardous substances, pollutants, or contaminants from—

(1) real property or facilities currently under the jurisdiction of the Secretary of Defense; or

(2) real property or facilities that were under the jurisdiction of the Secretary of Defense at the time of the actions leading to such release or threatened release.

(b) LIMITATIONS.—(1) The Secretary concerned may not pay the costs of permanently relocating facilities under subsection (a) unless the Secretary concerned determines in writing that such permanent relocation of facilities is part of a response action that—

(A) has the support of the affected community;

(B) has the approval of relevant regulatory agencies; and

(C) is the most cost effective response action available.

(2) Not more than 5 percent of the funds available under section 2703 of title 10, United States Code, in any fiscal year may be used to pay the costs of permanently relocating facilities pursuant to the authority in subsection (a).

(c) REPORTS.—(1) Not later than November 30 of each of 2001, 2002, and 2003, the Secretary of Defense shall submit to Congress a report on each response action for which a written determination has been made under subsection (b)(1) in the fiscal year ending in such year.

(2) Each report for a fiscal year under paragraph (1) shall contain the following:

(A) A copy of each written determination under subsection (b)(1) during such fiscal year.

(B) A description of the response action taken or to be taken in connection with each such written determination.

(C) A statement of the costs incurred or to be incurred in connection with the permanent relocation of facilities covered by each such written determination.

(d) SECRETARY CONCERNED DEFINED.—In this section, the term ''Secretary concerned'' means the following:

(1) The Secretary of a military department, with regard to real property or facilities for which such military department is the lead agency.

(2) The Secretary of Defense, for any other real property or facilities.

SEC. 347. SHIP DISPOSAL PROJECT.

(a) CONTINUATION OF PROJECT.—(1) Subject to the provisions of this subsection, the Secretary of the Navy shall continue to carry out a ship disposal project within the United States during fiscal year 2001.

(2) The scope of the ship disposal project shall be sufficient to permit the Secretary to assemble appropriate data on the cost of scrapping ships.

(3) The Secretary shall use competitive procedures to award all task orders under the primary contracts under the ship disposal project.

(b) REPORT.—Not later than December 31, 2000, the Secretary shall submit to the congressional defense committees a report on the ship disposal project referred to in subsection (a). The report shall contain the following:

(1) A description of the competitive procedures used for the solicitation and award of all task orders under the project.

(2) A description of the task orders awarded under the project.

(3) An assessment of the results of the project as of the date of the report, including the performance of contractors under the project.

(4) The proposed strategy of the Navy for future procurement of ship scrapping activities.

SEC. 348. REPORT ON DEFENSE ENVIRONMENTAL SECURITY CORPORATE INFORMATION MANAGEMENT PROGRAM.

(a) REPORT REQUIRED.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the Defense Environmental Security Corporate Information Management program.

(b) REPORT ELEMENTS.—The report under subsection (a) shall include the following elements:

(1) The recommendations of the Secretary for the future mission of the Defense Environmental Security Corporate Information Management program.

(2) A discussion of the means by which the program will address or provide the following:

(A) Information access procedures which keep pace with current and evolving requirements for information access.

(B) Data standardization and systems integration.

(C) Product failures and cost-effective results.

(D) User confidence and utilization.

(E) Program continuity.

(F) Program accountability, including accountability for all past, current, and future activities funded under the program.

(G) Program management and oversight.

(H) Program compliance with applicable requirements of the Clinger-Cohen Act of 1996 (divisions D and E of Public Law 104–106) and applicable requirements under other provisions of law.

SEC. 349. REPORT ON PLASMA ENERGY PYROLYSIS SYSTEM.

(a) REPORT REQUIRED.—Not later than October 1, 2000, the Secretary of the Army shall submit to the congressional defense committees a report on the Plasma Energy Pyrolysis System (PEPS).

(b) REPORT ELEMENTS.—The report on the Plasma Energy Pyrolysis System under subsection (a) shall include the following:

(1) An analysis of available information and data on the fixed-transportable unit demonstration phase of the System and on the mobile unit demonstration phase of the System.

(2) Recommendations regarding future applications for each phase of the System described in paragraph (1).

(3) A statement of the projected funding for such future applications.

Subtitle F—Other Matters

SEC. 361. EFFECTS OF WORLDWIDE CONTINGENCY OPERATIONS ON READINESS OF CERTAIN MILITARY AIRCRAFT AND EQUIPMENT.

(a) REQUIREMENT FOR REPORT.—The Secretary of Defense shall submit to Congress, not later than 180 days after the date of the enactment of this Act, a report on—

(1) the effects of worldwide contingency operations of the Navy, Marine Corps, and Air Force on the readiness of aircraft of those Armed Forces; and

(2) the effects of worldwide contingency operations of the Army and Marine Corps on the readiness of ground equipment of those Armed Forces.

(b) CONTENT OF REPORT.—The report shall contain the Secretary's assessment of the effects of the contingency operations referred to in subsection (a) on the capability of the Department of Defense to maintain a high level of equipment readiness and to manage a high operating tempo for the aircraft and ground equipment.

(c) EFFECTS ON AIRCRAFT.—The assessment contained in the report shall address, with respect to aircraft, the following effects:

(1) The effects of the contingency operations carried out during fiscal years 1995 through 2000 on the aircraft of each of the Navy, Marine Corps, and Air Force in each category of aircraft, as follows:

(A) Combat tactical aircraft.

(B) Strategic aircraft.

(C) Combat support aircraft.

(D) Combat service support aircraft.

(2) The types of adverse effects on the aircraft of each of the Navy, Marine Corps, and Air Force in each category of aircraft specified in paragraph (1) resulting from contingency operations, as follows:

(A) Patrolling in no-fly zones—

(i) over Iraq in Operation Northern Watch;

(ii) over Iraq in Operation Southern Watch; and

(iii) over the Balkans in Operation Allied Force.

(B) Air operations in the NATO air war against Serbia in Operation Sky Anvil, Operation Noble Anvil, and Operation Allied Force.

(C) Air operations in Operation Shining Hope in Kosovo.

(D) All other activities within the general context of worldwide contingency operations.

(3) Any other effects that the Secretary considers appropriate in carrying out subsection (a).

(d) EFFECTS ON GROUND EQUIPMENT.—The assessment contained in the report shall address, with respect to ground equipment, the following effects:

(1) The effects of the contingency operations carried out during fiscal years 1995 through 2000 on the ground equipment of each of the Army and Marine Corps.

(2) Any other effects that the Secretary considers appropriate in carrying out subsection (a).

SEC. 362. REALISTIC BUDGETING FOR READINESS REQUIREMENTS OF THE ARMY.

(a) REQUIREMENT FOR NEW METHODOLOGY.—The Secretary of the Army shall develop a new methodology for preparing budget requests for operation and maintenance that can be used to ensure that the budget requests for operation and maintenance for future fiscal years more accurately reflect the Army's requirements than do the budget requests that have been submitted to Congress for fiscal year 2001 and preceding fiscal years.

(b) SENSE OF CONGRESS ON THE NEW METHODOLOGY.—It is the sense of Congress that—

(1) the methodology should provide for the determination of the budget levels to request for operation and maintenance to be based on—

(A) the level of training that must be conducted in order to maintain essential readiness;

(B) the cost of conducting the training at that level; and

(C) the costs of all other Army operations, including the cost of meeting infrastructure requirements; and

(2) the Secretary should use the new methodology in the preparation of the budget requests for operation and maintenance for fiscal years after fiscal year 2001.

SEC. 363. ADDITIONS TO PLAN FOR ENSURING VISIBILITY OVER ALL IN-TRANSIT END ITEMS AND SECONDARY ITEMS.

(a) REQUIRED ADDITIONS.—Subsection (d) of section 349 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1981; 10 U.S.C. 2458 note) is amended—

(1) by inserting before the period at the end of paragraph (1) '', including specific actions to address underlying weaknesses in the controls over items being shipped''; and

(2) by adding at the end the following:

''(5) The key management elements for monitoring, and for measuring the progress achieved in, the implementation of the plan, including—

''(A) the assignment of oversight responsibility for each action identified pursuant to paragraph (1);

''(B) a description of the resources required for oversight; and

''(C) an estimate of the annual cost of oversight.''.

(b) CONFORMING AMENDMENTS.—(1) Subsection (a) of such section is amended by striking ''Not later than'' and all that follows through ''Congress'' and inserting ''The Secretary of Defense shall prescribe and carry out''.

(2) Such section is further amended by adding at the end the following:

''(f) SUBMISSIONS TO CONGRESS.—After the Secretary submits the plan to Congress (on a date not later than March 1, 1999), the Secretary shall submit to Congress any revisions to the plan that are required by any law enacted after October 17, 1998. The revisions so made shall be submitted not later than 180 days after the date of the enactment of the law requiring the revisions.''.

(3) Subsection (e)(1) of such section is amended by striking ''submits the plan'' and inserting ''submits the initial plan''.

SEC. 364. PERFORMANCE OF EMERGENCY RESPONSE FUNCTIONS AT CHEMICAL WEAPONS STORAGE INSTALLATIONS.

(a) RESTRICTION ON CONVERSION.—The Secretary of the Army may not convert to contractor performance the emergency response functions of any chemical weapons storage installation that, as of the date of the enactment of this Act, are performed for that installation by employees of the United States until the certification required by subsection (c) has been submitted in accordance with that subsection.

(b) COVERED INSTALLATIONS.—For the purposes of this section, a chemical weapons storage installation is any installation of the Department of Defense on which lethal chemical agents or munitions are stored.

(c) CERTIFICATION REQUIREMENT.—The Secretary of the Army shall certify in writing to the Committees on Armed Services of the Senate and the House of Representatives that, to ensure that there will be no lapse of capability to perform the chemical weapon emergency response mission at a chemical weapons storage installation during any transition to contractor performance of those functions at that installation, the plan for conversion of the performance of those functions—

(1) is consistent with the recommendation contained in General Accounting Office Report NSIAD–00–88, entitled ''DoD Competitive Sourcing'', dated March 2000; and

(2) provides for a transition to contractor performance of emergency response functions which ensures an adequate transfer of the relevant knowledge and expertise regarding chemical weapon emergency response to the contractor personnel.

SEC. 365. CONGRESSIONAL NOTIFICATION OF USE OF RADIO FREQUENCY SPECTRUM BY A SYSTEM ENTERING ENGINEERING AND MANUFACTURING DEVELOPMENT.

Before a decision is made to enter into the engineering and manufacturing development phase of a program for the acquisition of a system that is to use the radio frequency spectrum, the Secretary of Defense shall submit to the congressional defense committees a report setting forth the following:

(1) The frequency or frequencies that the system will use.

(2) A statement of whether the Department of Defense is, or is to be, designated as the primary user of the particular frequency or frequencies.

(3) If not, the unique technical characteristics that make it necessary to use the particular frequency or frequencies.

(4) A description of the protections that the Department of Defense has been given to ensure that it will not incur costs as a result of current or future interference from other users of the particular frequency or frequencies.

SEC. 366. MONITORING OF VALUE OF PERFORMANCE OF DEPARTMENT OF DEFENSE FUNCTIONS BY WORKFORCES SELECTED FROM BETWEEN PUBLIC AND PRIVATE WORKFORCES.

(a) REQUIREMENT FOR A MONITORING SYSTEM.—(1) Chapter 146 of title 10, United States Code, as amended by section 332(f), is further amended by adding at the end the following:

''§2476. Public-private workforce selections: system for monitoring value

''(a) SYSTEM FOR MONITORING PERFORMANCE.—(1) The Secretary of Defense shall establish a system for monitoring the performance of functions of the Department of Defense that—

''(A) are performed by 50 or more employees of the department; and

''(B) have been subjected to a workforce review.

''(2) In this section, the term 'workforce review', with respect to a function, is a review to determine whether the function should be performed by a workforce composed of Federal Government employees or by a private sector workforce, and includes any review for that purpose that is carried out under, or is associated with, the following:

''(A) Office of Management and Budget Circular A–76.

''(B) A strategic sourcing.

''(C) A base closure or realignment.

''(D) Any other reorganization, privatization, or reengineering of an organization.

''(b) PERFORMANCE MEASUREMENTS.—The system for monitoring the performance of a function shall provide for the measurement of the costs and benefits resulting from the selection of one workforce over the other workforce pursuant to a workforce review, as follows:

''(1) The costs incurred.

''(2) The savings derived.

''(3) The value of the performance by the selected workforce measured against the costs of the performance of that function by the workforce performing the function as of the beginning of the workforce review, as the workforce then performing the function was organized.

''(c) ANNUAL REPORT.—The Secretary shall submit to Congress, not later than February 1 of each fiscal year, a report on the measurable value of the performance during the preceding fiscal year of the functions that have been subjected to a workforce review, as determined under the monitoring system established under subsection (a). The report shall display the findings separately for each of the armed forces and for each Defense Agency.

''(d) CONSIDERATION IN PREPARATION OF FUTURE-YEARS DEFENSE PROGRAM.—In preparing the future-years defense program under section 221 of this title, the Secretary of Defense shall, for the fiscal years covered by the program, estimate and take into account the costs to be incurred and the savings to be derived from the performance of functions by workforces selected in workforce reviews. The Secretary shall consider the results of the monitoring under this section in making the estimates.''.

(2) The table of sections at the beginning of such chapter, as amended by section 332(i)(2), is further amended by adding at the end the following:

''2476. Public-private workforce selections: system for monitoring value.''.

(b) CONTENT OF CONGRESSIONAL NOTIFICATION OF CONVERSIONS.—Paragraph (1) of section 2461(c) of title 10, United States Code, is amended—

(1) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (F) and (G);

(2) by inserting after subparagraph (B), the following new subparagraph (C):

''(C) The Secretary's certification that the factors considered in the examinations performed under subsection (b)(3), and in the making of the decision to change performance, did not include any predetermined personnel constraint or limitation in terms of man years, end strength, full-time equivalent positions, or maximum number of employees.''; and

(3) by inserting after subparagraph (D), as redesignated by paragraph (1), the following new subparagraph (E):

''(E) A statement of the potential economic effect of the change on each affected local community, as determined in the examination under subsection (b)(3)(B)(ii).''.

SEC. 367. SUSPENSION OF REORGANIZATION OF NAVAL AUDIT SERVICE.

The Secretary of the Navy shall cease any consolidations, involuntary transfers, buy-outs, or reductions in force of the workforce of auditors and administrative support personnel of the Naval Audit Service that are associated with the reorganization or relocation of the performance of the auditing functions of the Navy until 60 days after the date on which the Secretary submits to the congressional defense committees a report that sets forth in detail the Navy's plans and justification for the reorganization or relocation, as the case may be.

SEC. 368. INVESTMENT OF COMMISSARY TRUST REVOLVING FUND.

Section 2486 of title 10, United States Code, is amended—

(1) in subsection (g)(5), by striking ''(5) In this subsection'' and inserting ''(i) COMMISSARY TRUST REVOLVING FUND DEFINED.—In this section''; and

(2) by inserting after subsection (g)(4) the following:

''(h) INVESTMENT OF COMMISSARY TRUST REVOLVING FUND.—The Secretary of Defense shall invest such portion of the commissary trust revolving fund as is not, in the judgment of the Secretary, required to meet current withdrawals. The investments shall be in public debt securities with maturities suitable to the needs of the fund, as determined by the Secretary, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities. The income derived from the investments shall be credited to and form a part of the fund.''.

SEC. 369. ECONOMIC PROCUREMENT OF DISTILLED SPIRITS.

Subsection 2488(c) of title 10, United States Code, is amended—

(1) by striking paragraph (2); and

(2) by redesignating paragraph (3) as paragraph (2).

SEC. 370. RESALE OF ARMOR-PIERCING AMMUNITION DISPOSED OF BY THE ARMY.

(a) RESTRICTION.—(1) Chapter 443 of title 10, United States Code, is amended by adding at the end the following:

''§4688. Armor-piercing ammunition and components: condition on disposal

''(a) LIMITATION ON RESALE OR OTHER TRANSFER.—Except as provided in subsection (b), whenever the Secretary of the Army carries out a disposal (by sale or otherwise) of armor-piercing ammunition, or a component of armor-piercing ammunition, the Secretary shall require as a condition of the disposal that the recipient agree in writing not to sell or otherwise transfer any of the ammunition (reconditioned or otherwise), or any armor-piercing component of that ammunition, to any purchaser in the United States other than a law enforcement or other governmental agency.

''(b) EXCEPTION.—Subsection (a) does not apply to a transfer of a component of armor-piercing ammunition solely for the purpose of metal reclamation by means of a destructive process such as melting, crushing, or shredding.

''(c) SPECIAL RULE FOR NON-ARMOR-PIERCING COMPONENTS.—A component of the armor-piercing ammunition that is not itself armor-piercing and is not subjected to metal reclamation as described in subsection (b) may not be used as a component in the production of new or remanufactured armor-piercing ammunition other than for sale to a law enforcement or other governmental agency or for a government-to-government sale or commercial export to a foreign government under the Arms Export Control Act.

''(d) DEFINITION.—In this section, the term 'armor-piercing ammunition' means a center-fire cartridge the military designation of which includes the term 'armor penetrator' or 'armor-piercing', including a center-fire cartridge designated as armor-piercing incendiary (API) or armor-piercing incendiary-tracer (API–T).''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

''4688. Armor-piercing ammunition and components: condition on disposal.''.

(b) APPLICABILITY.—Section 4688 of title 10, United States Code (as added by subsection (a)), shall apply with respect to any disposal of ammunition or components referred to in that section after the date of the enactment of this Act.

SEC. 371. DAMAGE TO AVIATION FACILITIES CAUSED BY ALKALI SILICA REACTIVITY.

(a) ASSESSMENT REQUIRED.—The Secretary of Defense shall assess the damage caused to aviation facilities of the Department of Defense by alkali silica reactivity. In making the assessment, the Secretary shall review the department's aviation facilities throughout the world.

(b) DAMAGE PREVENTION AND MITIGATION PLAN.—(1) Taking into consideration the assessment under subsection (a), the Secretary may develop and, during fiscal years 2001 through 2006, carry out a plan to prevent and mitigate damage to the aviation facilities of the Department of Defense as a result of alkali silica reactivity.

(2) A plan developed under paragraph shall provide for the following:

(A) Treatment of alkali silica reactivity in pavement and structures at a selected test site.

(B) The demonstration and deployment of technologies capable of mitigating alkali silica reactivity in hardened concrete structures and pavements.

(C) The promulgation of specific guidelines for appropriate testing and use of lithium salts to prevent alkali silica reactivity in new construction.

(c) DELEGATION OF AUTHORITY.—The Secretary shall direct the Chief of Engineers of the

Army and the Commander of the Naval Facilities Engineering Command to carry out the assessment required by subsection (a) and to develop and carry out the plan required by subsection (b).

(d) FUNDING.—Of the amounts authorized to be appropriated under section 301, not more than $5,000,000 is available for carrying out this section.

SEC. 372. REAUTHORIZATION OF PILOT PROGRAM FOR ACCEPTANCE AND USE OF LANDING FEES CHARGED FOR USE OF DOMESTIC MILITARY AIRFIELDS BY CIVIL AIRCRAFT.

(a) REAUTHORIZATION.—Subsection (a) of section 377 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1993; 10 U.S.C. 113 note) is amended as follows:

(1) by striking ''1999 and 2000'' and inserting ''2001 through 2010''; and

(2) by striking the second sentence and inserting ''The pilot program under this section may not be carried out after September 30, 2010.''.

(b) FEES COLLECTED.—Subsection (b) of such section is amended to read as follows:

''(b) LANDING FEE DEFINED.—For the purposes of this section, the term 'landing fee' means any fee that is established under or in accordance with regulations of the military department concerned (whether prescribed in a fee schedule or imposed under a joint-use agreement) to recover costs incurred for use by civil aircraft of an airfield of the military department in the United States or in a territory or possession of the United States.''.

(c) USE OF PROCEEDS.—Subsection (c) of such section is amended by striking ''Amounts received for a fiscal year in payment of landing fees imposed under the pilot program for use of a military airfield'' and inserting ''Amounts received in payment of landing fees for use of a military airfield in a fiscal year of the pilot program''.

(d) REPORT.—Subsection (d) of such section is amended—

(1) by striking ''March 31, 2000,'' and inserting ''March 31, 2003,''; and

(2) by striking ''December 31, 1999'' and inserting ''December 31, 2002''.

SEC. 373. REIMBURSEMENT BY CIVIL AIR CARRIERS FOR SUPPORT PROVIDED AT JOHNSTON ATOLL.

(a) IN GENERAL.—Chapter 949 of title 10, United States Code, is amended by adding at the end the following:

''§ 9783. Johnston Atoll: reimbursement for support provided to civil air carriers

''(a) AUTHORITY OF THE SECRETARY.—The Secretary of the Air Force may, under regulations prescribed by the Secretary, require payment by a civil air carrier for support provided by the United States to the carrier at Johnston Atoll that is either—

''(1) requested by the civil air carrier; or

''(2) determined under the regulations as being necessary to accommodate the civil air carrier's use of Johnston Atoll.

''(b) AMOUNT OF CHARGES.—Any amount charged an air carrier under subsection (a) for support shall be equal to the total amount of the actual costs to the United States of providing the support. The amount charged may not include any amount for an item of support that does not satisfy a condition described in paragraph (1) or (2) of subsection (a).

''(c) RELATIONSHIP TO LANDING FEES.—No landing fee shall be charged an air carrier for a landing of an aircraft of the air carrier at Johnston Atoll if the air carrier is charged under subsection (a) for support provided to the air carrier.

''(d) DISPOSITION OF PAYMENTS.—(1) Notwithstanding any other provision of law, amounts collected from an air carrier under this section shall be credited to appropriations available for the fiscal year in which collected, as follows:

''(A) For support provided by the Air Force, to appropriations available for the Air Force for operation and maintenance.

''(B) For support provided by the Army, to appropriations available for the Army for chemical demilitarization.

''(2) Amounts credited to an appropriation under paragraph (1) shall be merged with funds in that appropriation and shall be available, without further appropriation, for the purposes and period for which the appropriation is available.

''(e) DEFINITIONS.—In this section:

''(1) The term 'civil air carrier' means an air carrier (as defined in section 40101(a)(2) of title 49) that is issued a certificate of public convenience and necessity under section 41102 of such title.

''(2) The term 'support' includes fuel, fire rescue, use of facilities, improvements necessary to accommodate use by civil air carriers, police, safety, housing, food, air traffic control, suspension of military operations on the island (including operations at the Johnston Atoll Chemical Agent Demilitarization System), repairs, and any other construction, services, or supplies.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''9783. Johnston Atoll: reimbursement for support provided to civil air carriers.''.

SEC. 374. REVIEW OF COSTS OF MAINTAINING HISTORICAL PROPERTIES.

(a) REQUIREMENT FOR REVIEW.—The Comptroller General of the United States shall conduct a review of the annual costs incurred by the Department of Defense to comply with the requirements of the National Historic Preservation Act (16 U.S.C. 470 et seq.).

(b) REPORT.—Not later than February 28, 2001, the Comptroller General shall submit to the congressional defense committees a report on the results of the review. The report shall contain the following:

(1) For each military department and Defense Agency and for the Department of Defense in the aggregate, the cost for fiscal year 2000 and the projected costs for the ensuing 10 fiscal years.

(2) An analysis of the cost to maintain only those properties that qualified as historic properties under the National Historic Preservation Act when such Act was originally enacted.

(3) The accounts used for paying the costs of complying with the requirements of the National Historic Preservation Act.

(4) For each military department and Defense Agency, the identity of all properties that must be maintained in order to comply with the requirements of the National Historic Preservation Act.

SEC. 375. EXTENSION OF AUTHORITY TO SELL CERTAIN AIRCRAFT FOR USE IN WILDFIRE SUPPRESSION.

Section 2 of the Wildfire Suppression Aircraft Transfer Act of 1996 (Public Law 104–307) is amended—

(1) in subsection (a)(1) by striking ''September 30, 2000'' and inserting ''September 30, 2005'';

(2) by adding at the end of subsection (d)(1) the following: ''After taking effect, the regulations shall be effective until the end of the period specified in subsection (a)(1).'';

(3) in subsection (f), by striking ''March 31, 2000'' and inserting ''March 31, 2005''.

SEC. 376. OVERSEAS AIRLIFT SERVICE ON CIVIL RESERVE AIR FLEET AIRCRAFT.

(a) IN GENERAL.—Section 41106(a) of title 49, United States Code, is amended—

(1) by striking ''GENERAL.—(1) Except as provided in subsection (b),'' and inserting ''INTERSTATE TRANSPORTATION.—(1) Except as provided in subsection (d),'';

(2) in paragraph (1), by striking ''of at least 31 days'';

(3) by redesignating subsection (b) as subsection (d); and

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

''(b) TRANSPORTATION BETWEEN THE UNITED STATES AND FOREIGN LOCATIONS.—Except as provided in subsection (d), the transportation of passengers or property by transport category aircraft between a place in the United States and a place outside the United States obtained by the Secretary of Defense or the Secretary of a military department through a contract for airlift service may be provided by an air carrier referred to in subsection (a).

''(c) TRANSPORTATION BETWEEN FOREIGN LOCATIONS.—The transportation of passengers or property by transport category aircraft between two places outside the United States obtained by the Secretary of Defense or the Secretary of a military department through a contract for airlift service shall be provided by an air carrier that has aircraft in the civil reserve air fleet whenever transportation by such an air carrier is reasonably available.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2000.

SEC. 377. DEFENSE TRAVEL SYSTEM.

(a) REQUIREMENT FOR REPORT.—Not later than November 30, 2000, the Secretary of Defense shall submit to the congressional defense committees a report on the Defense Travel System.

(b) CONTENT OF REPORT.—The report shall include the following:

(1) A detailed discussion of the development, testing, and fielding of the system, including the performance requirements, the evaluation criteria, the funding that has been provided for the development, testing, and fielding of the system, and the funding that is projected to be required for completing the development, testing, and fielding of the system.

(2) The schedule that has been followed for the testing of the system, including the initial operational test and evaluation and the final operational testing and evaluation, together with the results of the testing.

(3) The cost savings expected to result from the deployment of the system and from the completed implementation of the system, together with a discussion of how the savings are estimated and the expected schedule for the realization of the savings.

(4) An analysis of the costs and benefits of fielding the front-end software for the system throughout all 18 geographical areas selected for the original fielding of the system.

(c) LIMITATIONS.—(1) Not more than 25 percent of the amount authorized to be appropriated under section 301(5) for the Defense Travel System may be obligated or expended before the date on which the Secretary submits the report required under subsection (a).

(2) Funds appropriated for the Defense Travel System pursuant to the authorization of appropriations referred to in paragraph (1) may not be used for a purpose other than the Defense Travel System unless the Secretary first submits to Congress a written notification of the intended use and the amount to be so used.

SEC. 378. REVIEW OF AH–64 AIRCRAFT PROGRAM.

(a) REQUIREMENT FOR REVIEW.—The Comptroller General shall conduct a review of the Army's AH–64 aircraft program to determine the following:

(1) Whether any of the following conditions exist under the program:

(A) Obsolete spare parts, rather than spare parts for the latest aircraft configuration, are being procured.

(B) There is insufficient sustaining system technical support.

(C) The technical data packages and manuals are obsolete.

(D) There are unfunded requirements for airframe and component upgrades.

(2) Whether the readiness of the aircraft is impaired by conditions described in paragraph (1) that are determined to exist.

(b) REPORT.—Not later than March 1, 2001, the Comptroller General shall submit to the congressional defense committees a report on the results of the review under subsection (a).

SEC. 379. ASSISTANCE FOR MAINTENANCE, REPAIR, AND RENOVATION OF SCHOOL FACILITIES THAT SERVE DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) GRANTS AUTHORIZED.—Chapter 111 of title 10, United States Code, is amended—

(1) by redesignating section 2199 as section 2199a; and

(2) by inserting after section 2198 the following new section:

"§ 2199. Quality of life education facilities grants

''(a) REPAIR AND RENOVATION ASSISTANCE.—(1) The Secretary of Defense may make a grant to an eligible local educational agency to assist the agency to repair and renovate—

''(A) an impacted school facility that is used by significant numbers of military dependent students; or

''(B) a school facility that was a former Department of Defense domestic dependent elementary or secondary school.

''(2) Authorized repair and renovation projects may include repairs and improvements to an impacted school facility (including the grounds of the facility) designed to ensure compliance with the requirements of the Americans with Disabilities Act or local health and safety ordinances, to meet classroom size requirements, or to accommodate school population increases.

''(3) The total amount of assistance provided under this subsection to an eligible local educational agency may not exceed $5,000,000 during any period of two fiscal years.

''(b) MAINTENANCE ASSISTANCE.—(1) The Secretary of Defense may make a grant to an eligible local educational agency whose boundaries are the same as a military installation to assist the agency to maintain an impacted school facility, including the grounds of such a facility.

''(2) The total amount of assistance provided under this subsection to an eligible local educational agency may not exceed $250,000 during any fiscal year.

''(c) DETERMINATION OF ELIGIBLE LOCAL EDUCATIONAL AGENCIES.—(1) A local educational agency is an eligible local educational agency under this section only if the Secretary of Defense determines that the local educational agency has—

''(A) one or more federally impacted school facilities and satisfies at least one of the additional eligibility requirements specified in paragraph (2); or

''(B) a school facility that was a former Department of Defense domestic dependent elementary or secondary school, but assistance provided under this subparagraph may only be used to repair and renovate that facility.

''(2) The additional eligibility requirements referred to in paragraph (1) are the following:

''(A) The local educational agency is eligible to receive assistance under subsection (f) of section 8003 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703) and at least 10 percent of the students who were in average daily attendance in the schools of such agency during the preceding school year were students described under paragraph (1)(A) or (1)(B) of section 8003(a) of the Elementary and Secondary Education Act of 1965.

''(B) At least 35 percent of the students who were in average daily attendance in the schools of the local educational agency during the preceding school year were students described under paragraph (1)(A) or (1)(B) of section 8003(a) of the Elementary and Secondary Education Act of 1965.

''(C) The State education system and the local educational agency are one and the same.

''(d) NOTIFICATION OF ELIGIBILITY.—Not later than June 30 of each fiscal year, the Secretary of Defense shall notify each local educational agency identified under subsection (c) that the local educational agency is eligible during that fiscal year to apply for a grant under subsection (a), subsection (b), or both subsections.

''(e) RELATION TO IMPACT AID CONSTRUCTION ASSISTANCE.—A local education agency that receives a grant under subsection (a) to repair and renovate a school facility may not also receive a payment for school construction under section 8007 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7707) for the same fiscal year.

''(f) GRANT CONSIDERATIONS.—In determining which eligible local educational agencies will receive a grant under this section for a fiscal year, the Secretary of Defense shall take into consideration the following conditions and needs at impacted school facilities of eligible local educational agencies:

''(1) The repair or renovation of facilities is needed to meet State mandated class size requirements, including student-teacher ratios and instructional space size requirements.

''(2) There is a increase in the number of military dependent students in facilities of the agency due to increases in unit strength as part of military readiness.

''(3) There are unhoused students on a military installation due to other strength adjustments at military installations.

''(4) The repair or renovation of facilities is needed to address any of the following conditions:

''(A) The condition of the facility poses a threat to the safety and well-being of students.

''(B) The requirements of the Americans with Disabilities Act.

''(C) The cost associated with asbestos removal, energy conservation, or technology upgrades.

''(D) Overcrowding conditions as evidenced by the use of trailers and portable buildings and the potential for future overcrowding because of increased enrollment.

''(5) The repair or renovation of facilities is needed to meet any other Federal or State mandate.

''(6) The number of military dependent students as a percentage of the total student population in the particular school facility.

''(7) The age of facility to be repaired or renovated.

''(g) DEFINITIONS.—In this section:

''(1) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given that term in section 8013(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(9)).

''(2) IMPACTED SCHOOL FACILITY.—The term 'impacted school facility' means a facility of a local educational agency—

''(A) that is used to provide elementary or secondary education at or near a military installation; and

''(B) at which the average annual enrollment of military dependent students is a high percentage of the total student enrollment at the facility, as determined by the Secretary of Defense.

''(3) MILITARY DEPENDENT STUDENTS.—The term 'military dependent students' means students who are dependents of members of the armed forces or Department of Defense civilian employees.

''(4) MILITARY INSTALLATION.—The term 'military installation' has the meaning given that term in section 2687(e) of this title.''.

(b) AMENDMENTS TO CHAPTER HEADING AND TABLES OF CONTENTS.—(1) The heading of chapter 111 of title 10, United States Code, is amended to read as follows:

"CHAPTER 111—SUPPORT OF EDUCATION".

(2) The table of sections at the beginning of such chapter is amended by striking the item relating to section 2199 and inserting the following new items:

''2199. Quality of life education facilities grants.
''2199a. Definitions.''.

(3) The tables of chapters at the beginning of subtitle A, and at the beginning of part III of subtitle A, of such title are amended by striking the item relating to chapter 111 and inserting the following:

"111. Support of Education ..... 2191".

(c) FUNDING FOR FISCAL YEAR 2001.—Amounts appropriated in the Department of Defense Appropriations Act, 2001, under the heading ''QUALITY OF LIFE ENHANCEMENTS, DEFENSE'' may be used by the Secretary of Defense to make grants under section 2199 of title 10, United States Code, as added by subsection (a).

SEC. 380. POSTPONEMENT OF IMPLEMENTATION OF DEFENSE JOINT ACCOUNTING SYSTEM (DJAS) PENDING ANALYSIS OF THE SYSTEM.

(a) POSTPONEMENT.—The Secretary of Defense may not grant a Milestone III decision for the Defense Joint Accounting System (DJAS) until the Secretary—

(1) conducts, with the participation of the Inspector General of the Department of Defense and the inspectors general of the military departments, an analysis of alternatives to the system to determine whether the system warrants deployment; and

(2) if the Secretary determines that the system warrants deployment, submits to the congressional defense committees a report certifying that the system meets Milestone I and Milestone II requirements and applicable requirements of the Clinger-Cohen Act of 1996 (divisions D and E of Public Law 104–106).

(b) DEADLINE FOR REPORT.—The report referred to in subsection (a)(2) shall be submitted, if at all, not later than March 30, 2001.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 2001, as follows:

(1) The Army, 480,000.

(2) The Navy, 372,000.

(3) The Marine Corps, 172,600.

(4) The Air Force, 357,000.

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 2001, as follows:

(1) The Army National Guard of the United States, 350,088.

(2) The Army Reserve, 205,000.

(3) The Naval Reserve, 88,900.

(4) The Marine Corps Reserve, 39,558.

(5) The Air National Guard of the United States, 108,022.

(6) The Air Force Reserve, 74,300.

(7) The Coast Guard Reserve, 8,500.

(b) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year; and

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such

fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strengths of such units and by the total number of such individual members.

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 2001, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 22,974.

(2) The Army Reserve, 12,806.

(3) The Naval Reserve, 14,649.

(4) The Marine Corps Reserve, 2,261.

(5) The Air National Guard of the United States, 11,170.

(6) The Air Force Reserve, 1,278.

SEC. 413. END STRENGTHS FOR MILITARY TECHNICIANS (DUAL STATUS).

The minimum number of military technicians (dual status) as of the last day of fiscal year 2001 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army Reserve, 5,249.

(2) For the Army National Guard of the United States, 24,728.

(3) For the Air Force Reserve, 9,733.

(4) For the Air National Guard of the United States, 22,221.

SEC. 414. FISCAL YEAR 2001 LIMITATION ON NON-DUAL STATUS TECHNICIANS.

(a) LIMITATION.—The number of non-dual status technicians employed by the reserve components of the Army and the Air Force as of September 30, 2001, may not exceed the following:

(1) For the Army Reserve, 1,195.

(2) For the Army National Guard of the United States, 1,600.

(3) For the Air Force Reserve, 0.

(4) For the Air National Guard of the United States, 326.

(b) NON-DUAL STATUS TECHNICIANS DEFINED.—In this section, the term ''non-dual status technician'' has the meaning given the term in section 10217(a) of title 10, United States Code.

(c) POSTPONEMENT OF PERMANENT LIMITATION.—Section 10217(c)(2) of title 10, United States Code, is amended by striking ''October 1, 2001'' and inserting ''October 1, 2002''.

SEC. 415. INCREASE IN NUMBERS OF MEMBERS IN CERTAIN GRADES AUTHORIZED TO BE ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

(a) OFFICERS.—The table in section 12011(a) of title 10, United States Code, is amended to read as follows:

''Grade	Army	Navy	Air Force	Marine Corps
Major or Lieutenant Commander	3,227	1,071	898	140
Lieutenant Colonel or Commander	1,687	520	844	90
Colonel or Navy Captain	511	188	317	30''.

(b) SENIOR ENLISTED MEMBERS.—The table in section 12012(a) of title 10, United States Code, is amended to read as follows:

''Grade	Army	Navy	Air Force	Marine Corps
E–9	662	202	501	20
E–8	2,676	429	1,102	94''.

Subtitle C—Other Matters Relating to Personnel Strengths

SEC. 421. SUSPENSION OF STRENGTH LIMITATIONS DURING WAR OR NATIONAL EMERGENCY.

(a) SENIOR ENLISTED MEMBERS.—Section 517 of title 10, United States Code, is amended by adding at the end the following new subsection (c):

''(c) The Secretary of Defense may suspend the operation of this section in time of war or of national emergency declared by the Congress or by the President. Any suspension shall, if not sooner ended, end on the last day of the 2-year period beginning on the date on which the suspension (or the last extension thereof) takes effect or on the last day of the 1-year period beginning on the date of the termination of the war or national emergency, whichever occurs first. Title II of the National Emergencies Act (50 U.S.C. 1621–1622) shall not apply to an extension under this subsection.''.

(b) SENIOR AGR PERSONNEL.—(1) Chapter 1201 of such title is amended by adding at the end the following:

''§ 12013. Authority to suspend sections 12011 and 12012

''The Secretary of Defense may suspend the operation of section 12011 or 12012 of this title in time of war or of national emergency declared by the Congress or by the President. Any suspension shall, if not sooner ended, end on the last day of the 2-year period beginning on the date on which the suspension (or the last extension thereof) takes effect or on the last day of the 1-year period beginning on the date of the termination of the war or national emergency, whichever occurs first. Title II of the National Emergencies Act (50 U.S.C. 1621–1622) shall not apply to an extension under this subsection.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

''12013. Authority to suspend sections 12011 and 12012.''.

SEC. 422. EXCLUSION OF CERTAIN RESERVE COMPONENT MEMBERS ON ACTIVE DUTY FOR MORE THAN 180 DAYS FROM ACTIVE COMPONENT END STRENGTHS.

Section 115(d) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(9) Members of reserve components (not described in paragraph (8)) on active duty for more than 180 days to perform special work in support of the armed forces (other than in support of the Coast Guard) and the combatant commands, except that the number of the members excluded under this paragraph may not exceed the number equal to two-tenths of one percent of the end strength authorized for active-duty personnel under subsection (a)(1)(A).''.

SEC. 423. EXCLUSION OF ARMY AND AIR FORCE MEDICAL AND DENTAL OFFICERS FROM LIMITATION ON STRENGTHS OF RESERVE COMMISSIONED OFFICERS IN GRADES BELOW BRIGADIER GENERAL.

Section 12005(a) of title 10, United States Code, is amended by adding at the end the following:

''(3) Medical officers and dental officers shall not be counted for the purposes of this subsection.''.

SEC. 424. AUTHORITY FOR TEMPORARY INCREASES IN NUMBER OF RESERVE PERSONNEL SERVING ON ACTIVE DUTY OR FULL-TIME NATIONAL GUARD DUTY IN CERTAIN GRADES.

(a) OFFICERS.—Section 12011 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(c) Upon increasing under subsection (c)(2) of section 115 of this title the end strength that is authorized under subsection (a)(1)(B) of that section for a fiscal year for active-duty personnel and full-time National Guard duty personnel of an armed force who are to be paid from funds appropriated for reserve personnel, the Secretary of Defense may increase for that fiscal year the limitation that is set forth in subsection (a) of this section for the number of officers of that armed force serving in any grade if the Secretary determines that such action is in the national interest. The percent of the increase may not exceed the percent by which the Secretary increases that end strength.''.

(b) ENLISTED PERSONNEL.—Section 12012 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(c) Upon increasing under subsection (c)(2) of section 115 of this title the end strength that is authorized under subsection (a)(1)(B) of that section for a fiscal year for active-duty personnel and full-time National Guard duty personnel of an armed force who are to be paid from funds appropriated for reserve personnel, the Secretary of Defense may increase for that fiscal year the limitation that is set forth in subsection (a) of this section for the number of enlisted members of that armed force serving in any grade if the Secretary determines that such action is in the national interest. The percent of the increase may not exceed the percent by which the Secretary increases that end strength.''.

SEC. 425. TEMPORARY EXEMPTION OF DIRECTOR OF THE NATIONAL SECURITY AGENCY FROM LIMITATIONS ON NUMBER OF AIR FORCE OFFICERS ABOVE MAJOR GENERAL.

Section 525(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(8) An Air Force officer while serving as Director of the National Security Agency is in addition to the number that would otherwise be permitted for the Air Force for officers serving on active duty in grades above major general under paragraph (1) and the number that would otherwise be permitted for the Air Force for officers serving on active duty in grades above brigadier general under subsection (a). This paragraph shall not be effective after September 30, 2005.''.

Subtitle D—Authorization of Appropriations

SEC. 431. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2001 a total of $75,632,266,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 2001.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

SEC. 501. ELIGIBILITY OF ARMY RESERVE COLONELS AND BRIGADIER GENERALS FOR POSITION VACANCY PROMOTIONS.

Section 14315(b)(1) of title 10, United States Code, is amended by inserting after ''(A) is assigned to the duties of a general officer of the next higher reserve grade in the Army Reserve'' the following: ''or is recommended for such an assignment under regulations prescribed by the Secretary of the Army''.

SEC. 502. PROMOTION ZONES FOR COAST GUARD RESERVE OFFICERS.

(a) FLEXIBLE AUTHORITY TO MEET COAST GUARD NEEDS.—Section 729(d) of title 14, United States Code, is amended to read as follows:

''(d)(1) Before convening a selection board to recommend Reserve officers for promotion, the Secretary shall establish a promotion zone for officers serving in each grade and competitive category to be considered by the board. The Secretary shall determine the number of officers in the promotion zone for officers serving in any grade and competitive category from among officers who are eligible for promotion in that grade and competitive category.

''(2) Before convening a selection board to recommend Reserve officers for promotion to a

grade above lieutenant (junior grade), the Secretary shall determine the maximum number of officers in that grade and competitive category that the board may recommend for promotion. The Secretary shall make the determination under the preceding sentence of the maximum number that may be recommended with a view to having in an active status a sufficient number of Reserve officers in each grade and competitive category to meet the needs of the Coast Guard for Reserve officers in an active status. In order to make that determination, the Secretary shall determine (A) the number of positions needed to accomplish mission objectives which require officers of such competitive category in the grade to which the board will recommend officers for promotion, (B) the estimated number of officers needed to fill vacancies in such positions during the period in which it is anticipated that officers selected for promotion will be promoted, (C) the number of officers authorized by the Secretary to serve in an active status in the grade and competitive category under consideration, and (D) any statutory limitation on the number of officers in any grade or category (or combination thereof) authorized to be in an active status.

''(3)(A) The Secretary may, when the needs of the Coast Guard require, authorize the consideration of officers in a grade above lieutenant (junior grade) for promotion to the next higher grade from below the promotion zone.

''(B) When selection from below the promotion zone is authorized, the Secretary shall establish the number of officers that may be recommended for promotion from below the promotion zone in each competitive category to be considered. That number may not exceed the number equal to 10 percent of the maximum number of officers that the board is authorized to recommend for promotion in such competitive category, except that the Secretary may authorize a greater number, not to exceed 15 percent of the total number of officers that the board is authorized to recommend for promotion, if the Secretary determines that the needs of the Coast Guard so require. If the maximum number determined under this paragraph is less than one, the board may recommend one officer for promotion from below the promotion zone.

''(C) The number of officers recommended for promotion from below the promotion zone does not increase the maximum number of officers that the board is authorized to recommend for promotion under paragraph (2).''.

(b) RUNNING MATE SYSTEM.—(1) Section 731 of such title is amended—

(A) by designating the text of such section as subsection (b);

(B) by inserting after the section heading the following:

''(a) AUTHORITY TO USE RUNNING MATE SYSTEM.—The Secretary may by regulation implement section 729(d)(1) of this title by requiring that the promotion zone for consideration of Reserve officers in an active status for promotion to the next higher grade be determined in accordance with a running mate system as provided in subsection (b).'';

(C) in subsection (b), as designated by subparagraph (A), by striking ''Subject to the eligibility requirements of this subchapter, a Reserve officer shall'' and inserting the following: ''CONSIDERATION FOR PROMOTION.—If promotion zones are determined as authorized under subsection (a), a Reserve officer shall, subject to the eligibility requirements of this subchapter,''; and

(D) by adding at the end the following:

''(c) CONSIDERATION OF OFFICERS BELOW THE ZONE.—If the Secretary authorizes the selection of officers for promotion from below the promotion zone in accordance with section 729(d)(3) of this title, the number of officers to be considered from below the zone may be established through the application of the running mate system under this subchapter or otherwise as the Secretary determines to be appropriate to meet the needs of the Coast Guard.''.

(2)(A) The heading for such section is amended to read as follows:

''§ 731. Establishment of promotion zones: running mate system''.

(B) The item relating to such section in the table of sections at the beginning of chapter 21 of title 14, United States Code, is amended to read as follows:

''731. Establishment of promotion zones: running mate system.''.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2000, and shall apply with respect to selection boards convened under section 730 of title 14, United States Code, on or after that date.

SEC. 503. TIME FOR RELEASE OF OFFICER PROMOTION SELECTION BOARD REPORTS.

(a) ACTIVE-DUTY LIST OFFICER BOARDS.—Section 618(e) of title 10, United States Code, is amended to read as follows:

''(e)(1) The names of the officers recommended for promotion in the report of a selection board may be disseminated to the armed force concerned as follows:

''(A) In the case of officers recommended for promotion to a grade below brigadier general or rear admiral (lower half), upon the transmittal of the report to the President.

''(B) In the case of officers recommended for promotion to a grade above colonel or, in the case of the Navy, captain, upon the approval of the report by the President.

''(C) In the case of officers whose names have not been sooner disseminated, upon confirmation by the Senate.

''(2) A list of names of officers disseminated under paragraph (1) may not include—

''(A) any name removed by the President from the report of the selection board containing that name, if dissemination is under the authority of subparagraph (B) of such paragraph; or

''(B) the name of any officer whose promotion the Senate failed to confirm, if dissemination is under the authority of subparagraph (C) of such paragraph.''.

(b) RESERVE ACTIVE-STATUS LIST OFFICER BOARDS.—The text of section 14112 of title 10, United States Code, is amended to read as follows:

''(a) TIME FOR DISSEMINATION.—The names of the officers recommended for promotion in the report of a selection board may be disseminated to the armed force concerned as follows:

''(1) In the case of officers recommended for promotion to a grade below brigadier general or rear admiral (lower half), upon the transmittal of the report to the President.

''(2) In the case of officers recommended for promotion to a grade above colonel or, in the case of the Navy, captain, upon the approval of the report by the President.

''(3) In the case of officers whose names have not been sooner disseminated, upon confirmation by the Senate.

''(b) NAMES NOT DISSEMINATED.—A list of names of officers disseminated under subsection (a) may not include—

''(1) any name removed by the President from the report of the selection board containing that name, if dissemination is under the authority of paragraph (2) of such subsection; or

''(2) the name of any officer whose promotion the Senate failed to confirm, if dissemination is under the authority of paragraph (3) of such subsection.''.

SEC. 504. CLARIFICATION OF AUTHORITY FOR POSTHUMOUS COMMISSIONS AND WARRANTS.

Section 1521(a)(3) of title 10, United States Code, is amended to read as follows:

''(3) was officially recommended for appointment or promotion to a commissioned grade but died in line of duty before the appointment or promotion was approved by the Secretary concerned or before accepting the appointment or promotion.''.

SEC. 505. INAPPLICABILITY OF ACTIVE-DUTY LIST PROMOTION, SEPARATION, AND INVOLUNTARY RETIREMENT AUTHORITIES TO RESERVE GENERAL AND FLAG OFFICERS SERVING IN CERTAIN POSITIONS DESIGNATED FOR RESERVE OFFICERS BY THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF.

Section 641(1)(B) of title 10, United States Code, is amended by inserting ''526(b)(2)(A),'' after ''on active duty under section''.

SEC. 506. REVIEW OF ACTIONS OF SELECTION BOARDS.

(a) IN GENERAL.—(1) Chapter 79 of title 10, United States Code, is amended by adding at the end the following:

''§ 1558. Exclusive remedies in cases involving selection boards

''(a) CORRECTION OF MILITARY RECORDS.—The Secretary concerned may correct a person's military records in accordance with a recommendation made by a special board. Any such correction shall be effective, retroactively, as of the effective date of the action taken on a report of a previous selection board that resulted in the action corrected in the person's military records.

''(b) RELIEF ASSOCIATED WITH CORRECTIONS OF CERTAIN ACTIONS.—(1) The Secretary concerned shall ensure that a person receives relief under paragraph (2) or (3), as the person may elect, if the person—

''(A) was separated or retired from an armed force, or transferred to the retired reserve or to inactive status in a reserve component, as a result of a recommendation of a selection board; and

''(B) becomes entitled to retention on or restoration to active duty or active status in a reserve component as a result of a correction of the person's military records under subsection (a).

''(2)(A) With the consent of a person referred to in paragraph (1), the person shall be retroactively and prospectively restored to the same status, rights, and entitlements (less appropriate offsets against back pay and allowances) in the person's armed force as the person would have had if the person had not been selected to be separated, retired, or transferred to the retired reserve or to inactive status in a reserve component, as the case may be, as a result of an action corrected under subsection (a). An action under this subparagraph is subject to subparagraph (B).

''(B) Nothing in subparagraph (A) shall be construed to permit a person to be on active duty or in an active status in a reserve component after the date on which the person would have been separated, retired, or transferred to the retired reserve or to inactive status in a reserve component if the person had not been selected to be separated, retired, or transferred to the retired reserve or to inactive status in a reserve component, as the case may be, in an action of a selection board that is corrected under subsection (a).

''(3) If the person does not consent to a restoration of status, rights, and entitlements under paragraph (2), the person shall receive back pay and allowances (less appropriate offsets) and service credit for the period beginning on the date of the person's separation, retirement, or transfer to the retired reserve or to inactive status in a reserve component, as the case may be, and ending on the earlier of—

''(A) the date on which the person would have been so restored under paragraph (2), as determined by the Secretary concerned; or

''(B) the date on which the person would otherwise have been separated, retired, or transferred to the retired reserve or to inactive status in a reserve component, as the case may be.

''(c) FINALITY OF UNFAVORABLE ACTION.—If a special board makes a recommendation not to correct the military records of a person regarding action taken in the case of that person on

the basis of a previous report of a selection board, the action previously taken on that report shall be considered as final as of the date of the action taken on that report.

''(d) REGULATIONS.—(1) The Secretary concerned may prescribe regulations to carry out this section (other than subsection (e)) with respect to the armed force or armed forces under the jurisdiction of the Secretary.

''(2) The Secretary may prescribe in the regulations the circumstances under which consideration by a special board may be provided for under this section, including the following:

''(A) The circumstances under which consideration of a person's case by a special board is contingent upon application by or for that person.

''(B) Any time limits applicable to the filing of an application for consideration.

''(3) Regulations prescribed by the Secretary of a military department under this subsection shall be subject to the approval of the Secretary of Defense.

''(e) JUDICIAL REVIEW.—(1) A person challenging for any reason the action or recommendation of a selection board, or the action taken by the Secretary concerned on the report of a selection board, is not entitled to relief in any judicial proceeding unless the person has first been considered by a special board under this section or the Secretary concerned has denied such consideration.

''(2) In reviewing an action or recommendation of a special board or an action of the Secretary concerned on the report of a special board, a court may hold unlawful and set aside the recommendation or action, as the case may be, only if the court finds that recommendation or action was contrary to law or involved a material error of fact or a material administrative error.

''(3) In reviewing a decision by the Secretary concerned to deny consideration by a special board in any case, a court may hold unlawful and set aside the decision only if the court finds the decision to be arbitrary or capricious, not based on substantial evidence, or otherwise contrary to law.

''(f) EXCLUSIVITY OF REMEDIES.—Notwithstanding any other provision of law, but subject to subsection (g), the remedies provided under this section are the only remedies available to a person for correcting an action or recommendation of a selection board regarding that person or an action taken on the report of a selection board regarding that person.

''(g) EXISTING JURISDICTION.—(1) Nothing in this section limits the jurisdiction of any court of the United States under any provision of law to determine the validity of any statute, regulation, or policy relating to selection boards, except that, in the event that any such statute, regulation, or policy is held invalid, the remedies prescribed in this section shall be the sole and exclusive remedies available to any person challenging the recommendation of a special board on the basis of the invalidity.

''(2) Nothing in this section limits authority to correct a military record under section 1552 of this title.

''(h) INAPPLICABILITY TO COAST GUARD.—This section does not apply to the Coast Guard when it is not operating as a service in the Navy.

''(i) DEFINITIONS.—In this section:

''(1) The term 'special board'—

''(A) means a board that the Secretary concerned convenes under any authority to consider whether to recommend a person for appointment, enlistment, reenlistment, assignment, promotion, retention, separation, retirement, or transfer to inactive status in a reserve component instead of referring the records of that person for consideration by a previously convened selection board which considered or should have considered that person;

''(B) includes a board for the correction of military or naval records convened under section 1552 of this title, if designated as a special board by the Secretary concerned; and

''(C) does not include a promotion special selection board convened under section 628 or 14502 of this title.

''(2) The term 'selection board'—

''(A) means a selection board convened under section 573(c), 580, 580a, 581, 611(b), 637, 638, 638a, 14101(b), 14701, 14704, or 14705 of this title, and any other board convened by the Secretary concerned under any authority to recommend persons for appointment, enlistment, reenlistment, assignment, promotion, or retention in the armed forces or for separation, retirement, or transfer to inactive status in a reserve component for the purpose of reducing the number of persons serving in the armed forces; and

''(B) does not include—

''(i) a promotion board convened under section 573(a), 611(a), or 14101(a) of this title;

''(ii) a special board;

''(iii) a special selection board convened under section 628 of this title; or

''(iv) a board for the correction of military records convened under section 1552 of this title.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

''1558. Exclusive remedies in cases involving selection boards .''.

(b) SPECIAL SELECTION BOARDS.—Section 628 of such title is amended—

(1) by redesignating subsection (g) as subsection (j); and

(2) by inserting after subsection (f) the following:

''(g) LIMITATIONS OF OTHER JURISDICTION.—No official or court of the United States may—

''(1) consider any claim based to any extent on the failure of an officer or former officer of the armed forces to be selected for promotion by a promotion board until—

''(A) the claim has been referred by the Secretary concerned to a special selection board convened under this section and acted upon by that board and the report of the board has been approved by the President; or

''(B) the claim has been rejected by the Secretary concerned without consideration by a special selection board; or

''(2) grant any relief on such a claim unless the officer or former officer has been selected for promotion by a special selection board convened under this section to consider the officer's claim and the report of the board has been approved by the President.

''(h) JUDICIAL REVIEW.—(1) A court of the United States may review a determination by the Secretary concerned under subsection (a)(1) or (b)(1) not to convene a special selection board. If a court finds the determination to be arbitrary or capricious, not based on substantial evidence, or otherwise contrary to law, it shall remand the case to the Secretary concerned, who shall provide for consideration of the officer or former officer by a special selection board under this section.

''(2) A court of the United States may review the action of a special selection board convened under this section on a claim of an officer or former officer and any action taken by the President on the report of the board. If a court finds that the action was contrary to law or involved a material error of fact or a material administrative error, it shall remand the case to the Secretary concerned, who shall provide for reconsideration of the officer or former officer by another special selection board.

''(i) EXISTING JURISDICTION.—(1) Nothing in this section limits the jurisdiction of any court of the United States under any provision of law to determine the validity of any statute, regulation, or policy relating to selection boards, except that, in the event that any such statute, regulation, or policy is held invalid, the remedies prescribed in this section shall be the sole and exclusive remedies available to any person challenging the recommendation of a selection board on the basis of the invalidity.

''(2) Nothing in this section limits authority to correct a military record under section 1552 of this title.''.

(c) EFFECTIVE DATE AND APPLICABILITY.—(1) The amendments made by this section shall take effect on the date of the enactment of this Act and, except as provided in paragraph (2), shall apply with respect to any proceeding pending on or after that date without regard to whether a challenge to an action of a selection board of any of the Armed Forces being considered in such proceeding was initiated before, on, or after that date.

(2) The amendments made by this section shall not apply with respect to any action commenced in a court of the United States before the date of the enactment of this Act.

SEC. 507. EXTENSION TO ALL AIR FORCE BIOMEDICAL SCIENCES OFFICERS OF AUTHORITY TO RETAIN UNTIL SPECIFIED AGE.

Section 14703(a)(3) of title 10, United States Code, is amended to read as follows:

''(3) the Secretary of the Air Force may, with the officer's consent, retain in an active status any reserve officer who is designated as a medical officer, dental officer, Air Force nurse, Medical Service Corps officer, biomedical sciences officer, or chaplain.''.

SEC. 508. TERMINATION OF APPLICATION REQUIREMENT FOR CONSIDERATION OF OFFICERS FOR CONTINUATION ON THE RESERVE ACTIVE-STATUS LIST.

Section 14701(a)(1) of title 10, United States Code, is amended by striking ''Upon application, a reserve officer'' and inserting ''A reserve officer''.

SEC. 509. TECHNICAL CORRECTIONS RELATING TO RETIRED GRADE OF RESERVE COMMISSIONED OFFICERS.

(a) ARMY.—Section 3961(a) of title 10, United States Code, is amended by striking ''or for nonregular service under chapter 1223 of this title''.

(b) AIR FORCE.—Section 8961(a) of title 10, United States Code, is amended by striking ''or for nonregular service under chapter 1223 of this title''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to Reserve commissioned officers who are promoted to a higher grade as a result of selection for promotion by a board convened under chapter 36 or 1403 of title 10, United States Code, or having been found qualified for Federal recognition in a higher grade under chapter 3 of title 32, United States Code, after October 1, 1996.

SEC. 510. GRADE OF CHIEFS OF RESERVE COMPONENTS AND DIRECTORS OF NATIONAL GUARD COMPONENTS.

(a) CHIEF OF ARMY RESERVE.—Section 3038(c) of title 10, United States Code, is amended—

(1) by striking ''major general'' in the third sentence and inserting ''lieutenant general''; and

(2) by striking the fourth sentence.

(b) CHIEF OF NAVAL RESERVE.—Section 5143(c)(2) of such title is amended—

(1) by striking ''rear admiral'' in the first sentence and inserting ''vice admiral''; and

(2) by striking the second sentence.

(c) CHIEF OF AIR FORCE RESERVE.—Section 8038(c) of such title is amended—

(1) by striking ''major general'' in the third sentence and inserting ''lieutenant general''; and

(2) by striking the fourth sentence.

(d) DIRECTORS IN THE NATIONAL GUARD BUREAU.—Subparagraphs (A) and (B) of section 10506(a)(1) of such title are each amended by striking ''the grade of major general or, if appointed to that position in accordance with section 12505(a)(2) of this title,''.

(e) COMMANDER, MARINE FORCES RESERVE.—(1) Section 5144(c)(2) of such title is amended to read as follows:

''(2)(A) The Commander, Marine Forces Reserve, while so serving, has the grade of major

general, without vacating the officer's permanent grade. An officer may, however, be assigned to the position of Commander, Marine Forces Reserve, in the grade of lieutenant general if appointed to that grade for service in that position by the President, by and with the advice and consent of the Senate. An officer may be recommended to the President for such an appointment if selected for appointment to that position in accordance with subparagraph (B).

''(B) An officer shall be considered to have been selected for appointment to the position of Commander, Marine Forces Reserve, in accordance with this subparagraph if—

''(i) the officer is recommended for that appointment by the Secretary of the Navy;

''(ii) the officer is determined by the Chairman of the Joint Chiefs of Staff, in accordance with criteria and as a result of a process established by the Chairman, to have significant joint duty experience; and

''(iii) the officer is recommended by the Secretary of Defense to the President for the appointment.''.

(2) Until October 1, 2002, the Secretary of Defense may, on a case-by-case basis, waive clause (ii) of section 5144(c)(2)(B) of title 10, United States Code (as added by paragraph (1)), with respect to the appointment of an officer to the position of Commander, Marine Forces Reserve, if in the judgment of the Secretary—

(A) the officer is qualified for service in the position; and

(B) the waiver is necessary for the good of the service.

(f) REPEAL OF SUPERSEDED AUTHORITY.—(1) Section 12505 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 1213 of such title is amended by striking the item relating to section 12505.

(g) VICE CHIEF OF NATIONAL GUARD BUREAU.—(1) The Secretary of Defense shall conduct a study of the advisability of increasing the grade authorized for the Vice Chief of the National Guard Bureau to Lieutenant General.

(2) As part of the study, the Chief of the National Guard Bureau shall submit to the Secretary of Defense an analysis of the functions and responsibilities of the Vice Chief of the National Guard Bureau and the Chief's recommendation as to whether the grade authorized for the Vice Chief should be increased.

(3) Not later than February 1, 2001, the Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the study. The report shall include the following—

(A) the recommendation of the Chief of the National Guard Bureau and any other information provided by the Chief to the Secretary of Defense pursuant to paragraph (2);

(B) the conclusions resulting from the study; and

(C) the Secretary's recommendations regarding whether the grade authorized for the Vice Chief of the National Guard Bureau should be increased to Lieutenant General.

(h) EFFECTIVE DATES.—Subsection (g) shall take effect on the date of the enactment of this Act. Except for that subsection, this section and the amendments made by this section shall take effect on the earlier of—

(1) the date that is 90 days after the date of the enactment of this Act; or

(2) January 1, 2001.

SEC. 511. CONTINGENT EXEMPTION FROM LIMITATION ON NUMBER OF AIR FORCE OFFICERS SERVING ON ACTIVE DUTY IN GRADES ABOVE MAJOR GENERAL.

Section 525(b) of title 10, United States Code, is amended by adding at the end the following:

''(8) While an officer of the Army, Navy, or Marine Corps is serving as Commander in Chief of the United States Transportation Command, an officer of the Air Force, while serving as Commander of the Air Mobility Command, if serving in the grade of general, is in addition to the number that would otherwise be permitted for the Air Force for officers serving on active duty in grades above major general under paragraph (1).

''(9) While an officer of the Army, Navy, or Marine Corps is serving as Commander in Chief of the United States Space Command, an officer of the Air Force, while serving as Commander of the Air Force Space Command, if serving in the grade of general, is in addition to the number that would otherwise be permitted for the Air Force for officers serving on active duty in grades above major general under paragraph (1).''.

Subtitle B—Joint Officer Management

SEC. 521. JOINT SPECIALTY DESIGNATIONS AND ADDITIONAL IDENTIFIERS.

Section 661 of title 10, United States Code, is amended to read as follows:

''§ 661. Management policies for joint specialty officers

''(a) ESTABLISHMENT.—The Secretary of Defense shall establish policies, procedures, and practices for the effective management of officers of the Army, Navy, Air Force, and Marine Corps on the active-duty list who are particularly trained in, and oriented toward, joint matters (as defined in section 668 of this title). Such officers shall be identified or designated (in addition to their principal military occupational specialty) in such manner as the Secretary of Defense directs. For purposes of this chapter, officers to be managed by such policies, procedures, and practices are those who have been designated under subsection (b) as joint specialty officers.

''(b) JOINT SPECIALTY OFFICER DESIGNATION.—(1) The purpose for designation of officers as joint specialty officers is to provide a quickly identifiable group of officers who have the joint service experience and education in joint matters that are especially required for any particular organizational staff or joint task force operation.

''(2) To qualify for the joint specialty designation, an officer shall—

''(A) have successfully completed—

''(i) a program of education in residence at a joint professional military education school accredited as such by the Chairman of the Joint Chiefs of Staff; and

''(ii) a full tour of duty in a joint duty assignment; or

''(B) have successfully completed two full tours of duty in joint duty assignments.

''(3) The requirements set forth in paragraph (2)(A) may be satisfied in any sequence.

''(4) The Secretary of Defense shall prescribe the standards for characterizing the completion of a requirement under paragraph (2) as successful.

''(5) An officer may not be designated as a joint specialty officer unless qualified under paragraph (2).

''(c) ADDITIONAL IDENTIFIER.—An officer designated as a joint specialty officer may be awarded an additional joint specialty identifier as directed by the Secretary under subsection (a).

''(d) WAIVER AUTHORITY FOR AWARD OF ADDITIONAL IDENTIFIER.—(1) The Secretary of Defense may waive the applicability of a requirement for a qualification set forth in subsection (b) for a designation of a particular officer as a joint specialty officer upon the Secretary's determination that, by reason of unusual circumstances applicable in the officer's case, the officer has one or more qualifications that are comparable to the qualification waived.

''(2) The Secretary may grant a waiver for a general or flag officer under paragraph (1) only upon the Secretary's determination that it is necessary to do so in order to meet a critical need of the armed forces.

''(3) The Secretary may delegate authority under this subsection only to the Deputy Secretary of Defense or the Chairman of the Joint Chiefs of Staff.

''(4) The Secretary of the military department concerned may request a waiver under this subsection. A request shall include a full justification for the requested waiver on the basis of the criterion described in paragraph (1) and, in the case of a general or flag officer, the additional criterion described in paragraph (2).

''(e) GENERAL AND FLAG OFFICER POSITIONS.—(1) The Secretary of Defense shall designate the joint duty assignments for general or flag officers that must be filled by joint specialty officers.

''(2) Only a joint specialty officer may be assigned to a joint duty assignment designated under paragraph (1).

''(3) The Secretary may waive the limitation in paragraph (2) if the Secretary determines that it is necessary to do so in the interest of national security.

''(f) JOINT PROFESSIONAL MILITARY EDUCATION SCHOOLS.—The Chairman of the Joint Chiefs of Staff shall accredit as joint professional military education schools for the purposes of this chapter the schools that the Chairman determines as being qualified for the accreditation. A school may not be considered a joint professional military education school for any such purpose unless the school is so accredited.''.

SEC. 522. PROMOTION OBJECTIVES.

(a) OBJECTIVES.—Section 662 of title 10, United States Code, is amended to read as follows:

''§ 662. Promotion policy objectives for joint officers

''(a) QUALIFICATIONS.—The Secretary of Defense shall ensure that the qualifications of officers assigned to joint duty assignments and officers whose previous assignment was a joint duty assignment are such that those officers are expected, as a group, to be promoted to the next higher grade at a rate not less than the rate for officers of the same armed force in the same grade and competitive category who are serving on the headquarters staff of that armed force.

''(b) VALIDATION OF QUALIFICATIONS.—(1) The Secretary of a military department shall validate the qualifications of officers under the jurisdiction of the Secretary for eligibility for joint duty assignments.

''(2) The Secretary shall ensure that, under the process prescribed under paragraph (3), an adequate number of the colonels or, in the case of the Navy, captains validated as qualified for joint duty assignments satisfy the requirements under section 619a of this title for promotion to brigadier general or rear admiral (lower half), respectively.

''(3) The Secretary shall prescribe the process for validating qualifications of officers under the jurisdiction of the Secretary in accordance with this subsection.

''(c) CONSIDERATION OF JOINT SPECIALTY OFFICERS.—(1) The Secretary of Defense shall prescribe policies for ensuring that joint specialty officers eligible for consideration for promotion are appropriately considered for promotion.

''(2) The policies shall require the following:

''(A) That at least one member of a board convened for the selection of officers for promotion to a grade above major or, in the case of the Navy, lieutenant commander is serving in a joint duty assignment and has been approved by the Chairman of the Joint Chiefs of Staff for appointment to membership on that board.

''(B) That the Chairman of the Joint Chiefs of Staff has the opportunity to review the report of each promotion selection board referred to in subparagraph (A), and to submit comments on the report to the Secretary of Defense and the Secretary of the military department concerned, before the Secretary of that military department takes action on the report.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 38 of title 10,

United States Code, is amended by striking the item relating to section 662 and inserting the following:

''662. Promotion policy objectives for joint officers.''.

SEC. 523. EDUCATION.

(a) OFFICERS ELIGIBLE FOR WAIVER OF CAPSTONE COURSE REQUIREMENT.—Subsection (a)(1)(C) of section 663 of title 10, United States Code, is amended by striking ''scientific and technical qualifications'' and inserting ''career field specialty qualifications''.

(b) REPEAL OF REQUIREMENT FOR POST-EDUCATION JOINT DUTY ASSIGNMENT.—Such section is further amended by striking subsection (d).

SEC. 524. LENGTH OF JOINT DUTY ASSIGNMENT.

(a) IN GENERAL.—Section 664 of title 10, United States Code, is amended—

(1) by striking subsections (a) through (h);

(2) by redesignating subsection (i) as subsection (f); and

(3) by inserting after the section heading the following:

''(a) IN GENERAL.—The length of a joint duty assignment at an installation or other place of duty shall be equivalent to the standard length of the assignments (other than joint duty assignments) of officers at that installation or other place of duty.

''(b) WAIVER AUTHORITY.—The Secretary of Defense may waive the requirement in subsection (a) for the length of a joint duty assignment in the case of any officer upon a determination by the Secretary that the waiver is critical in the case of that specific officer for meeting military personnel management requirements.

''(c) CURTAILMENT OF ASSIGNMENT.—The Secretary of Defense may, upon the request of the Secretary of the military department concerned, authorize a curtailment of a joint duty assignment of more than two years for an officer who has served in that assignment for at least two years.

''(d) FULL TOUR OF DUTY.—Subject to subsection (e), an officer shall be considered to have completed a full tour of duty in a joint duty assignment upon the completion of service performed in a grade not lower than major or, in the case of the Navy, lieutenant commander, as follows:

''(1) Service in a joint duty assignment that meets the standard set forth in subsection (a).

''(2) Service in a joint duty assignment under the circumstances described in subsection (c).

''(3) Cumulative service in one or more joint task force headquarters that is substantially equivalent to a standard length of assignment determined under subsection (a).

''(4) Service in a joint duty assignment with respect to which the Secretary of Defense has granted a waiver under subsection (b), but only in a case in which the Secretary directs that the service completed by the officer in that duty assignment be considered to be a full tour of duty in a joint duty assignment.

''(5) Service in a second joint duty assignment that is less than the period required under subsection (a), but is not less than two years, without regard to whether a waiver was granted for such assignment under subsection (b).''.

(b) JOINT DUTY CREDIT FOR CERTAIN JOINT TASK FORCE ASSIGNMENTS.—Subsection (f) of such section, as redesignated by subsection (a)(2), is amended—

(1) in paragraph (4)(B), by inserting before the period at the end the following: '', except that cumulative service of less than one year in more than one such assignment in the headquarters of a joint task force may not be credited'';

(2) in paragraph (4)(E)—

(A) by striking ''combat or combat-related''; and

(B) by inserting before the period at the end the following: '', as approved by the Secretary of Defense'';

(3) in paragraph (5), by striking ''any of the following provisions of this title:'' and all that follows and inserting ''section 662 of this title or paragraph (2), (4), or (7) of section 667(a) of this title.''; and

(4) by striking paragraph (6).

SEC. 525. ANNUAL REPORT TO CONGRESS.

Section 667 of title 10, United States Code, is amended by striking paragraph (1) and all that follows and inserting the following:

''(1) The number of joint specialty officers, reported by grade and by branch or specialty.

''(2) An assessment of the extent to which the Secretary of each military department is assigning personnel to joint duty assignments in accordance with this chapter and the policies, procedures, and practices established by the Secretary of Defense under section 661(a) of this title.

''(3) The number of waivers granted under section 619a(b)(1) of this title for officers in the grade of colonel or, in the case of the Navy, captain for each of the years preceding the year in which the report is submitted.

''(4) The officers whose service in joint duty assignments during the year covered by the report terminated before the officers completed the full tour of duty in those assignments, expressed as a percent of the total number of officers in joint duty assignments during that year.

''(5) The percentage of fill of student quotas for each course of the National Defense University for the year covered by the report.

''(6) A list of the joint task force headquarters in which service was approved for crediting as a joint duty assignment for the year covered by the report.

''(7) The following comparisons:

''(A) A comparison of—

''(i) the promotion rates for officers who are officers serving in joint duty assignments or officers whose previous assignment was a joint duty assignment and were considered for promotion within the promotion zone, with

''(ii) the promotion rates for other officers in the same grade and the same competitive category who are serving on the headquarters staff of the armed force concerned and were considered for promotion within the promotion zone.

''(B) A comparison of—

''(i) the promotion rates for officers who are officers serving in joint duty assignments or officers whose previous assignment was a joint duty assignment and were considered for promotion from above the promotion zone, with

''(ii) the promotion rates for other officers in the same grade and the same competitive category who are serving on the headquarters staff of the armed force concerned and were considered for promotion from above the promotion zone.

''(C) A comparison of—

''(i) the promotion rates for officers who are officers serving in joint duty assignments or officers whose previous assignment was a joint duty assignment and were considered for promotion from below the promotion zone, with

''(ii) the promotion rates for other officers in the same grade and the same competitive category who are serving on the headquarters staff of the armed force concerned and were considered for promotion from below the promotion zone.

''(8) If any of the comparisons in paragraph (7) indicate that the promotion rates for officers referred to in subparagraph (A)(i), (B)(i), or (C)(i) of such paragraph fail to meet the objective set forth in section 662(a) of this title, information on the failure and on what action the Secretary has taken or plans to take to prevent further failures.

''(9) Any other information relating to joint officer management that the Secretary of Defense considers significant.''.

SEC. 526. MULTIPLE ASSIGNMENTS CONSIDERED AS SINGLE JOINT DUTY ASSIGNMENT.

(a) DEFINITION OF JOINT DUTY ASSIGNMENT.—Subsection (b) of section 668 of title 10, United States Code, is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following new paragraph (2):

''(2) An assignment not qualifying as a joint duty assignment within the definition prescribed under paragraph (1) shall be treated as a joint duty assignment for the purposes of this subchapter if the assignment is considered under subsection (c)(2) as part of a single tour of duty in a joint duty assignment.''.

(b) MULTIPLE ASSIGNMENTS CONSIDERED AS SINGLE TOUR OF DUTY.—Subsection (c) of such section is amended to read as follows:

''(c) MULTIPLE ASSIGNMENTS CONSIDERED AS SINGLE TOUR OF DUTY.—For purposes of this chapter, service in more than one assignment shall be considered to be a single tour of duty in a joint duty assignment, as follows:

''(1) Continuous service in two or more consecutive joint duty assignments, as defined under subsection (b)(1).

''(2) Continuous service, in any order, in—

''(A) at least one joint duty assignment, as defined under subsection (b)(1); and

''(B) one or more assignments not satisfying the definition prescribed under subsection (b)(1) but involving service that provides significant experience in joint matters, as determined under policies prescribed by the Secretary of Defense under section 661(a) of this title.''.

SEC. 527. JOINT DUTY REQUIREMENT FOR PROMOTION TO ONE-STAR GRADES.

Section 619a of title 10, United States Code, is amended—

(1) in subsection (a), by striking ''section 664(f)'' and inserting ''section 664(d); and

(2) in subsection (b)—

(A) in paragraph (2), by striking ''scientific and technical qualifications'' and inserting ''career field specialty qualifications''; and

(B) in paragraph (4), by striking ''if—'' and all that follows and inserting a period.

Subtitle C—Education and Training

SEC. 541. ELIGIBILITY OF CHILDREN OF RESERVES FOR PRESIDENTIAL APPOINTMENT TO SERVICE ACADEMIES.

(a) UNITED STATES MILITARY ACADEMY.—Section 4342(b)(1) of title 10, United States Code, is amended—

(1) in subparagraph (B), by striking '', other than those granted retired pay under section 12731 of this title (or under section 1331 of this title as in effect before the effective date of the Reserve Officer Personnel Management Act)''; and

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

''(C) are serving as members of reserve components and are credited with at least eight years of service computed under section 12733 of this title; or

''(D) would be, or who died while they would have been, entitled to retired pay under chapter 1223 of this title except for not having attained 60 years of age;''.

(b) UNITED STATES NAVAL ACADEMY.—Section 6954(b)(1) of such title is amended—

(1) in subparagraph (B), by striking '', other than those granted retired pay under section 12731 of this title (or under section 1331 of this title as in effect before the effective date of the Reserve Officer Personnel Management Act)''; and

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

''(C) are serving as members of reserve components and are credited with at least eight years of service computed under section 12733 of this title; or

''(D) would be, or who died while they would have been, entitled to retired pay under chapter 1223 of this title except for not having attained 60 years of age;''.

(c) UNITED STATES AIR FORCE ACADEMY.—Section 9342(b)(1) of such title is amended—

(1) in subparagraph (B), by striking '', other than those granted retired pay under section 12731 of this title (or under section 1331 of this title as in effect before the effective date of the Reserve Officer Personnel Management Act)''; and

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

''(C) are serving as members of reserve components and are credited with at least eight years of service computed under section 12733 of this title; or

''(D) would be, or who died while they would have been, entitled to retired pay under chapter 1223 of this title except for not having attained 60 years of age;''.

SEC. 542. SELECTION OF FOREIGN STUDENTS TO RECEIVE INSTRUCTION AT SERVICE ACADEMIES.

(a) UNITED STATES MILITARY ACADEMY.—Section 4344(a) of title 10, United States Code, is amended by adding at the end the following:

''(3) In selecting persons to receive instruction under this section from among applicants from the countries approved under paragraph (2), the Secretary shall give a priority to persons who have a national service obligation to their countries upon graduation from the Academy.''.

(b) UNITED STATES NAVAL ACADEMY.—Section 6957(a) of such title is amended by adding at the end the following:

''(3) In selecting persons to receive instruction under this section from among applicants from the countries approved under paragraph (2), the Secretary shall give a priority to persons who have a national service obligation to their countries upon graduation from the Academy.''.

(c) UNITED STATES AIR FORCE ACADEMY.—Section 9344(a) of such title is amended by adding at the end the following:

''(3) In selecting persons to receive instruction under this section from among applicants from the countries approved under paragraph (2), the Secretary shall give a priority to persons who have a national service obligation to their countries upon graduation from the Academy.''.

(d) EFFECTIVE DATE AND APPLICABILITY.—This section and the amendments made by this section shall take effect on October 1, 2000, and shall apply with respect to academic years that begin after that date.

SEC. 543. REPEAL OF CONTINGENT FUNDING INCREASE FOR JUNIOR RESERVE OFFICERS TRAINING CORPS.

(a) REPEAL.—(1) Section 2033 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 102 of such title is amended by striking the item relating to section 2033.

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2000.

SEC. 544. REVISION OF AUTHORITY FOR MARINE CORPS PLATOON LEADERS CLASS TUITION ASSISTANCE PROGRAM.

(a) ELIGIBILITY OF OFFICERS.—Section 16401 of title 10, United States Code, is amended—

(1) in subsection (a), by striking ''enlisted'' in the matter preceding paragraph (1); and

(2) in subsection (b)(1)—

(A) by striking ''an enlisted member'' in the matter preceding subparagraph (A) and inserting ''a member''; and

(B) by striking ''an officer candidate in'' in subparagraph (A) and inserting ''a member of''.

(b) REPEAL OF AGE LIMITATIONS.—Subsection (b) of such section is amended—

(1) in paragraph (1)—

(A) by striking subparagraph (B);

(B) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively; and

(C) in subparagraph (C), as so redesignated, by striking ''paragraph (3)'' and inserting ''paragraph (2)'';

(2) by striking subparagraph (2);

(3) by redesignating paragraph (3) as paragraph (2); and

(4) in paragraph (2), as so redesignated, by striking ''paragraph (1)(D)'' and inserting ''paragraph (1)(C)''.

(c) CANDIDATES FOR LAW DEGREES.—Subsection (a)(2) of such section is amended by striking ''three'' and inserting ''four''.

(d) INAPPLICABILITY OF SANCTION TO OFFICERS.—Subsection (f)(1) of such section is amended by striking ''A member'' and inserting ''An enlisted member''.

(e) AMENDMENTS OF HEADINGS.—(1) The heading for such section is amended to read as follows:

''§ 16401. Marine Corps Platoon Leaders Class tuition assistance program''.

(2) The heading for subsection (a) of such section is amended by striking ''FOR FINANCIAL ASSISTANCE PROGRAM''.

(f) CLERICAL AMENDMENT.—The item relating to such section in the table of chapters at the beginning of chapter 1611 of title 10, United States Code, is amended to read as follows:

''16401. Marine Corps Platoon Leaders Class tuition assistance program.''.

Subtitle D—Matters Relating to Recruiting

SEC. 551. ARMY RECRUITING PILOT PROGRAMS.

(a) REQUIREMENT FOR PROGRAMS.—The Secretary of the Army shall carry out pilot programs to test various recruiting approaches under this section for the following purposes:

(1) To assess the effectiveness of the recruiting approaches for creating enhanced opportunities for recruiters to make direct, personal contact with potential recruits.

(2) To improve the overall effectiveness and efficiency of Army recruiting activities.

(b) OUTREACH THROUGH MOTOR SPORTS.—(1) One of the pilot programs shall be a pilot program of public outreach that associates the Army with motor sports competitions to achieve the objectives set forth in paragraph (2).

(2) The events and activities undertaken under the pilot program shall be designed to provide opportunities for Army recruiters to make direct, personal contact with high school students to achieve the following objectives:

(A) To increase enlistments by students graduating from high school.

(B) To reduce attrition in the Delayed Entry Program of the Army by sustaining the personal commitment of students who have elected delayed entry into the Army under the program.

(3) Under the pilot program, the Secretary shall provide for the following:

(A) For Army recruiters or other Army personnel—

(i) to organize Army sponsored career day events in association with national motor sports competitions; and

(ii) to arrange for or encourage attendance at the competitions by high school students, teachers, guidance counselors, and administrators of high schools located near the competitions.

(B) For Army recruiters and other soldiers to attend national motor sports competitions—

(i) to display exhibits depicting the contemporary Army and career opportunities in the Army; and

(ii) to discuss those opportunities with potential recruits.

(C) For the Army to sponsor a motor sports racing team as part of an integrated program of recruitment and publicity for the Army.

(D) For the Army to sponsor motor sports competitions for high school students at which recruiters meet with potential recruits.

(E) For Army recruiters or other Army personnel to compile in an Internet accessible database the names, addresses, telephone numbers, and electronic mail addresses of persons who are identified as potential recruits through activities under the pilot program.

(F) Any other activities associated with motor sports competition that the Secretary determines appropriate for Army recruitment purposes.

(c) OUTREACH AT VOCATIONAL SCHOOLS AND COMMUNITY COLLEGES.—(1) One of the pilot programs shall be a pilot program under which Army recruiters are assigned at postsecondary vocational institutions and community colleges for the purpose of recruiting students graduating from those institutions and colleges, recent graduates of those institutions and colleges, and students withdrawing from enrollments in those institutions and colleges.

(2) The Secretary shall select the institutions and colleges to be invited to participate in the pilot program.

(3) The conduct of the pilot program at an institution or college shall be subject to an agreement which the Secretary shall enter into with the governing body or authorized official of the institution or college, as the case may be.

(4) Under the pilot program, the Secretary shall provide for the following:

(A) For Army recruiters to be placed in postsecondary vocational institutions and community colleges to serve as a resource for guidance counselors and to recruit for the Army.

(B) For Army recruiters to recruit from among students and graduates described in paragraph (1).

(C) For the use of telemarketing, direct mail, interactive voice response systems, and Internet website capabilities to assist the recruiters in the postsecondary vocational institutions and community colleges.

(D) For any other activities that the Secretary determines appropriate for recruitment activities in postsecondary vocational institutions and community colleges.

(5) In this subsection, the term ''postsecondary vocational institution'' has the meaning given the term in section 102(c) of the Higher Education Act of 1965 (20 U.S.C. 1002(c)).

(d) CONTRACT RECRUITING INITIATIVES.—(1) One of the pilot programs shall be a program that expands in accordance with this subsection the scope of the Army's contract recruiting initiatives that are ongoing as of the date of the enactment of this Act. Under the pilot program, the Secretary shall select at least five recruiting battalions to apply the initiatives in efforts to recruit personnel for the Army.

(2) Under the pilot program, the Secretary shall provide for the following:

(A) For replacement of the Regular Army recruiters by contract recruiters in the five recruiting battalions selected under paragraph (1).

(B) For operation of the five battalions under the same rules and chain of command as the other Army recruiting battalions.

(C) For use of the offices, facilities, and equipment of the five battalions by the contract recruiters.

(D) For reversion to performance of the recruiting activities by Regular Army soldiers in the five battalions upon termination of the pilot program.

(E) For any other uses of contractor personnel for Army recruiting activities that the Secretary determines appropriate.

(e) DURATION OF PILOT PROGRAMS.—The pilot programs required by this section shall be carried out during the period beginning on October 1, 2000, and, subject to subsection (f), ending on December 31, 2005.

(f) AUTHORITY TO EXPAND OR EXTEND PILOT PROGRAMS.—The Secretary may expand the scope of any of the pilot programs (under subsection (b)(3)(F), (c)(4)(D), (d)(2)(E), or otherwise) or extend the period for any of the pilot programs. Before doing so in the case of a pilot program, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a written notification of the expansion of the pilot program (together with the scope of the expansion) or the continuation of the pilot program (together with the period of the extension), as the case may be.

(g) RELATIONSHIP TO OTHER LAW.—The Secretary may exercise the authority to carry out a pilot program under this section without regard to any other provision of law that, except for

this subsection, would otherwise restrict the actions taken by the Secretary under that authority.

(h) REPORTS.—Not later than February 1, 2006, the Secretary of the Army shall submit to the Committees on Armed Services of the Senate and the House of Representatives a separate report on each of the pilot programs carried out under this section. The report on a pilot program shall include the following:

(1) The Secretary's assessment of the value of the actions taken in the administration of the pilot program for increasing the effectiveness and efficiency of Army recruiting.

(2) Any recommendations for legislation or other action that the Secretary considers appropriate to increase the effectiveness and efficiency of Army recruiting.

SEC. 552. ENHANCEMENT OF THE JOINT AND SERVICE RECRUITMENT MARKET RESEARCH AND ADVERTISING PROGRAMS.

The Secretary of Defense shall take appropriate actions to enhance the effectiveness of the Joint and Service Recruiting and Advertising Programs through an aggressive program of advertising and market research targeted to prospective recruits for the Armed Forces and to persons who influence prospective recruits. Chapter 35 of title 44, United States Code, shall not apply to actions taken under this section.

SEC. 553. ACCESS TO SECONDARY SCHOOLS FOR MILITARY RECRUITING PURPOSES.

(a) REQUIREMENT FOR ACCESS.—Section 503(c) of title 10, United States Code, is amended to read as follows:

''(c) ACCESS TO SECONDARY SCHOOLS.—(1) Each local educational agency shall provide to the Department of Defense, upon a request made for military recruiting purposes, the same access to secondary school students, and to directory information concerning such students, as is provided generally to post-secondary educational institutions or to prospective employers of those students, except as provided in paragraph (5).

''(2) If a local educational agency denies a request for recruiting access that must be granted under paragraph (1), the Secretary of the military department for which the request is made shall designate a general or flag officer of the armed force concerned or a senior executive of that military department to visit the local educational agency for the purpose of arranging for recruiting access. The designated officer or senior executive shall make the visit within 120 days after the date of the denial of the request.

''(3) Upon a determination by the Secretary of Defense that, after the actions under paragraph (2) have been taken with respect to a local educational agency, the agency continues to deny recruiting access, the Secretary shall transmit to the Chief Executive of the State in which the local educational agency is located a notification of the denial of access and a request for assistance in obtaining the requested access. The notification shall be transmitted within 60 days after the date of the determination. The Secretary shall provide copies of communications between the Secretary and a Chief Executive under this subparagraph to the Secretary of Education.

''(4) If a local educational agency continues to deny recruiting access one year after the date of the transmittal of a notification regarding that agency under paragraph (3), the Secretary shall—

''(A) determine whether the agency denies recruiting access to at least two of the armed forces (other than the Coast Guard when it is not operating as a service in the Navy); and

''(B) upon making an affirmative determination under subparagraph (A), transmit a notification of the denial of recruiting access to—

''(i) the Committees on Armed Services of the Senate and the House of Representatives;

''(ii) the Senators of the State in which the local educational agency operates; and

''(iii) the member of the House of Representatives who represents the district in which the local educational agency operates.

''(5) The requirements of this subsection do not apply to a local educational agency with respect to access to secondary school students or access to directory information concerning such students during any period that there is in effect a policy of the agency, established by majority vote of the governing body of the agency, to deny access to the students or to the directory information, respectively, for military recruiting purposes.

''(6) In this subsection:

''(A) The term 'local educational agency' includes a private secondary educational institution.

''(B) The term 'recruiting access' means access requested as described in paragraph (1).

''(C) The term 'senior executive' has the meaning given that term in section 3132(a)(3) of title 5.

''(D) The term 'State' includes the District of Columbia, American Samoa, the Federated States of Micronesia, Guam, the Republic of the Marshall Islands, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, the Republic of Palau, and the United States Virgin Islands.''.

(b) TECHNICAL AMENDMENTS.—Section 503 of title 10, United States Code, is amended—

(1) in subsection (a), by inserting ''RECRUITING CAMPAIGNS.—'' after ''(a)'';

(2) in subsection (b), by inserting ''COMPILATION OF DIRECTORY INFORMATION.—'' after ''(b)''; and

(3) in subsection (c), by inserting ''ACCESS TO SECONDARY SCHOOLS.—'' after ''(c)''.

(c) EFFECTIVE DATES.—(1) The amendment made by subsection (a) shall take effect on July 1, 2002.

(2) The amendments made by subsection (b) shall take effect on the date of the enactment of this Act.

Subtitle E—Military Voting Rights Act of 2000

SEC. 561. SHORT TITLE.

This subtitle may be cited as the ''Military Voting Rights Act of 2000''.

SEC. 562. GUARANTEE OF RESIDENCY.

Article VII of the Soldiers' and Sailors' Civil Relief Act of 1940 (50 U.S.C. 700 et seq.) is amended by adding at the end the following:

''SEC. 704. (a) For purposes of voting for an office of the United States or of a State, a person who is absent from a State in compliance with military or naval orders shall not, solely by reason of that absence—

''(1) be deemed to have lost a residence or domicile in that State;

''(2) be deemed to have acquired a residence or domicile in any other State; or

''(3) be deemed to have become resident in or a resident of any other State.

''(b) In this section, the term 'State' includes a territory or possession of the United States, a political subdivision of a State, territory, or possession, and the District of Columbia.''.

SEC. 563. STATE RESPONSIBILITY TO GUARANTEE MILITARY VOTING RIGHTS.

(a) REGISTRATION AND BALLOTING.—Section 102 of the Uniformed and Overseas Absentee Voting Act (42 U.S.C. 1973ff–1) is amended—

(1) by inserting ''(a) ELECTIONS FOR FEDERAL OFFICES.—'' before ''Each State shall—''; and

(2) by adding at the end the following:

''(b) ELECTIONS FOR STATE AND LOCAL OFFICES.—Each State shall—

''(1) permit absent uniformed services voters to use absentee registration procedures and to vote by absentee ballot in general, special, primary, and run-off elections for State and local offices; and

''(2) accept and process, with respect to any election described in paragraph (1), any otherwise valid voter registration application from an absent uniformed services voter if the application is received by the appropriate State election official not less than 30 days before the election.''.

*(b) CONFORMING AMENDMENT.—The heading for title I of such Act is amended by striking out ''**FOR FEDERAL OFFICE**''.*

Subtitle F—Other Matters

SEC. 571. AUTHORITY FOR AWARD OF MEDAL OF HONOR TO CERTAIN SPECIFIED PERSONS.

(a) INAPPLICABILITY OF TIME LIMITATIONS.—Notwithstanding the time limitations in section 3744(b) of title 10, United States Code, or any other time limitation, the President may award the Medal of Honor under section 3741 of such title to the persons specified in subsection (b) for the acts specified in that subsection, the award of the Medal of Honor to such persons having been determined by the Secretary of the Army to be warranted in accordance with section 1130 of such title.

(b) PERSONS ELIGIBLE TO RECEIVE THE MEDAL OF HONOR.—The persons referred to in subsection (a) are the following:

(1) Ed W. Freeman, for conspicuous acts of gallantry and intrepidity at the risk of his life and beyond the call of duty on November 14, 1965, as flight leader and second-in-command of a helicopter lift unit at landing zone X–Ray in the Battle of the Ia Drang Valley, Republic of Vietnam, during the Vietnam War, while serving in the grade of Captain in Alpha Company, 229th Assault Helicopter Battalion, 101st Cavalry Division (Airmobile).

(2) James K. Okubo, for conspicuous acts of gallantry and intrepidity at the risk of his life and beyond the call of duty on October 28 and 29, and November 4, 1944, at Foret Domaniale de Champ, near Biffontaine, France, during World War II, while serving as an Army medic in the grade of Technician Fifth Grade in the medical detachment, 442d Regimental Combat Team.

(3) Andrew J. Smith, for conspicuous acts of gallantry and intrepidity at the risk of his life and beyond the call of duty on November 30, 1864, in the Battle of Honey Hill, South Carolina, during the Civil War, while serving as a corporal in the 55th Massachusetts Voluntary Infantry Regiment.

(c) POSTHUMOUS AWARD.—The Medal of Honor may be awarded under this section posthumously, as provided in section 3752 of title 10, United States Code.

(d) PRIOR AWARD.—The Medal of Honor may be awarded under this section for service for which a Silver Star, or other award, has been awarded.

SEC. 572. WAIVER OF TIME LIMITATIONS FOR AWARD OF CERTAIN DECORATIONS TO CERTAIN PERSONS.

(a) WAIVER.—Any limitation established by law or policy for the time within which a recommendation for the award of a military decoration or award must be submitted shall not apply to awards of decorations described in this section, the award of each such decoration having been determined by the Secretary concerned to be warranted in accordance with section 1130 of title 10, United States Code.

(b) SILVER STAR.—Subsection (a) applies to the award of the Silver Star to Louis Rickler, of Rochester, New York, for gallantry in action from August 18 to November 18, 1918, while serving as a member of the Army.

(c) DISTINGUISHED FLYING CROSS.—Subsection (a) applies to the award of the Distinguished Flying Cross for service during World War II or Korea (including multiple awards to the same individual) in the case of each individual concerning whom the Secretary of the Navy (or an officer of the Navy acting on behalf of the Secretary) submitted to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate, during the period beginning on October 5, 1999, and ending on the day before the date of the enactment of this Act, a notice as provided in section 1130(b) of title 10, United States Code, that the

award of the Distinguished Flying Cross to that individual is warranted and that a waiver of time restrictions prescribed by law for recommendation for such award is recommended.

SEC. 573. INELIGIBILITY FOR INVOLUNTARY SEPARATION PAY UPON DECLINATION OF SELECTION FOR CONTINUATION ON ACTIVE DUTY.

(a) INELIGIBILITY.—Section 1174(a)(1) of title 10, United States Code, is amended—

(1) by inserting '', 637(a)(4),'' after ''section 630(1)(A)''; and

(2) by inserting ''(except under section 580(e)(2))'' after ''section 580''.

(b) EFFECTIVE DATE AND APPLICABILITY.—The amendments made by subsection (a) shall take effect on October 1, 2000, and shall apply with respect to discharges and retirements from active duty that take effect under section 580(e)(2) or 637(a)(4) of title 10, United States Code, on or after that date.

SEC. 574. RECOGNITION BY STATES OF MILITARY TESTAMENTARY INSTRUMENTS.

(a) IN GENERAL.—Chapter 53 of title 10, United States Code, is amended by inserting after section 1044c the following new section:

''§ 1044d. Military testamentary instruments: requirement for recognition by States

''(a) TESTAMENTARY INSTRUMENTS TO BE GIVEN LEGAL EFFECT.—A military testamentary instrument—

''(1) is exempt from any requirement of form, formality, or recording before probate that is provided for testamentary instruments under the laws of a State; and

''(2) has the same legal effect as a testamentary instrument prepared and executed in accordance with the laws of the State in which it is presented for probate.

''(b) MILITARY TESTAMENTARY INSTRUMENTS.—For purposes of this section, a military testamentary instrument is an instrument that is prepared with testamentary intent in accordance with regulations prescribed under this section and that—

''(1) is executed in accordance with subsection (c) by (or on behalf of) a person, as a testator, who is eligible for military legal assistance;

''(2) makes a disposition of property of the testator; and

''(3) takes effect upon the death of the testator.

''(c) REQUIREMENTS FOR EXECUTION OF MILITARY TESTAMENTARY INSTRUMENTS.—An instrument is valid as a military testamentary instrument only if—

''(1) the instrument is executed by the testator (or, if the testator is unable to execute the instrument personally, the instrument is executed in the presence of, by the direction of, and on behalf of the testator);

''(2) the instrument is executed in the presence of a military legal assistance counsel acting as presiding attorney;

''(3) the instrument is executed in the presence of at least two disinterested witnesses (in addition to the presiding attorney), each of whom attests to witnessing the testator's execution of the instrument by signing it; and

''(4) the instrument is executed in accordance with such additional requirements as may be provided in regulations prescribed under this section.

''(d) SELF-PROVING MILITARY TESTAMENTARY INSTRUMENTS.—(1) If the document setting forth a military testamentary instrument meets the requirements of paragraph (2), then the signature of a person on the document as the testator, an attesting witness, a notary, or the presiding attorney, together with a written representation of the person's status as such and the person's military grade (if any) or other title, is prima facie evidence of the following:

''(A) That the signature is genuine.

''(B) That the signatory had the represented status and title at the time of the execution of the will.

''(C) That the signature was executed in compliance with the procedures required under the regulations prescribed under subsection (f).

''(2) A document setting forth a military testamentary instrument meets the requirements of this paragraph if it includes (or has attached to it), in a form and content required under the regulations prescribed under subsection (f), each of the following:

''(A) A certificate, executed by the testator, that includes the testator's acknowledgment of the testamentary instrument.

''(B) An affidavit, executed by each witness signing the testamentary instrument, that attests to the circumstances under which the testamentary instrument was executed.

''(C) A notarization, including a certificate of any administration of an oath required under the regulations, that is signed by the notary or other official administering the oath.

''(e) STATEMENT TO BE INCLUDED.—(1) Under regulations prescribed under this section, each military testamentary instrument shall contain a statement that sets forth the provisions of subsection (a).

''(2) Paragraph (1) shall not be construed to make inapplicable the provisions of subsection (a) to a testamentary instrument that does not include a statement described in that paragraph.

''(f) REGULATIONS.—Regulations for the purposes of this section shall be prescribed jointly by the Secretary of Defense and by the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Department of the Navy.

''(g) DEFINITIONS.—In this section:

''(1) The term 'person eligible for military legal assistance' means a person who is eligible for legal assistance under section 1044 of this title.

''(2) The term 'military legal assistance counsel' means—

''(A) a judge advocate (as defined in section 801(13) of this title); or

''(B) a civilian attorney serving as a legal assistance officer under the provisions of section 1044 of this title.

''(3) The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and each possession of the United States.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1044c the following new item:

''1044d. Military testamentary instruments: requirement for recognition by States.''.

SEC. 575. SENSE OF CONGRESS ON THE COURT-MARTIAL CONVICTION OF CAPTAIN CHARLES BUTLER McVAY, COMMANDER OF THE U.S.S. INDIANAPOLIS, AND ON THE COURAGEOUS SERVICE OF ITS CREW.

(a) FINDINGS.—Congress makes the following findings:

(1) Shortly after midnight on the morning of July 30, 1945, the United States Navy heavy cruiser U.S.S. Indianapolis (CA–35) was torpedoed and sunk by the Japanese submarine I–58 in what became the worst sea disaster in the history of the United States Navy.

(2) Although approximately 900 of the ship's crew of 1,196 survived the actual sinking, only 316 of those courageous sailors survived when rescued after four and a half days adrift in the open sea.

(3) Nearly 600 of the approximately 900 men who survived the sinking perished from battle wounds, drowning, predatory shark attacks, exposure to the elements, and lack of food and potable water.

(4) Rescue came for the remaining 316 sailors when they were spotted by chance by Navy Lieutenant Wilbur C. Gwinn while flying a routine naval air patrol mission.

(5) After the end of World War II, the commanding officer of the U.S.S. Indianapolis, Captain Charles Butler McVay, who was rescued with the other survivors, was court-martialed for ''suffering a vessel to be hazarded through negligence'' by failing to zigzag (a naval tactic employed to help evade submarine attacks), and was convicted even though—

(A) the choice to zigzag was left to Captain McVay's discretion in his orders; and

(B) Motchisura Hashimoto, the commander of the Japanese submarine that sank the U.S.S. Indianapolis, and Glynn R. Donaho, a United States Navy submarine commander highly decorated for his service during World War II, both testified at Captain McVay's court-martial trial that the Japanese submarine could have sunk the U.S.S. Indianapolis whether or not it had been zigzagging, an assertion that the Japanese submarine commander has since reaffirmed in a letter to the Chairman of the Committee on Armed Services of the Senate.

(6) Although not argued by Captain McVay's defense counsel in the court-martial trial, poor visibility on the night of the sinking (as attested in surviving crew members' handwritten accounts recently discovered at the National Archives) justified Captain McVay's choice not to zigzag as that choice was consistent with the applicable Navy directives in force in 1945, which stated that, ''During thick weather and at night, except on very clear nights or during bright moonlight, vessels normally cease zigzagging.''.

(7) Naval officials failed to provide Captain McVay with available support that was critical to the safety of the U.S.S. Indianapolis and its crew on what became its final mission by—

(A) disapproving a request made by Captain McVay for a destroyer escort for the U.S.S. Indianapolis across the Philippine Sea as being ''not necessary'';

(B) not informing Captain McVay that naval intelligence sources, through signal intelligence (the Japanese code having been broken earlier in World War II), had become aware that the Japanese submarine I–58 was operating in the area of the U.S.S. Indianapolis' course (as disclosed in evidence presented in a hearing of the Committee on Armed Services of the Senate); and

(C) not informing Captain McVay of the sinking of the destroyer escort U.S.S. Underhill by a Japanese submarine within range of the course of the U.S.S. Indianapolis four days before the U.S.S. Indianapolis departed Guam on its fatal voyage.

(8) Captain McVay's court-martial initially was opposed by his immediate command superiors, Fleet Admiral Chester Nimitz (CINCPAC) and Vice Admiral Raymond Spruance of the 5th fleet, for which the U.S.S. Indianapolis served as flagship, but, despite their recommendations, Secretary of the Navy James Forrestal ordered the court-martial, largely on the basis of the recommendation of Admiral King, Chief of Naval Operations.

(9) There is no explanation on the public record for Secretary Forestal's overruling of the recommendations made by Admirals Nimitz and Spruance.

(10) Captain McVay was the only commander of a United States Navy vessel lost in combat to enemy action during World War II who was subjected to a court-martial trial for such a loss, even though several hundred United States Navy ships were lost in combat to enemy action during World War II.

(11) The survivors of the U.S.S. Indianapolis overwhelmingly conclude that McVay was not at fault and have dedicated their lives to vindicating their Captain, Charles McVay, but time is running out for the 130 remaining members of the crew in their united and steadfast quest to clear their Captain's name.

(12) Although Captain McVay was promoted to Rear Admiral upon retirement from the Navy, he never recovered from the stigma of his post-

war court-martial and in 1968, tragically, took his own life.

(13) Captain McVay was a graduate of the United States Naval Academy, was an exemplary career naval officer with an outstanding record (including participation in the amphibious invasions of North Africa, the assault on Iwo Jima, and the assault on Okinawa where he survived a fierce kamikaze attack), was a recipient of the Silver Star earned for courage under fire during the Solomon Islands campaign, and, with his crew, had so thoroughly demonstrated proficiency in naval warfare that the Navy entrusted Captain McVay and the crew with transporting, on their fatal cruise, the components necessary for assembling the atomic bombs that were exploded over Hiroshima and Nagasaki to end the war with Japan.

(b) SENSE OF CONGRESS.—(1) It is the sense of Congress, on the basis of the facts presented in a public hearing conducted by the Committee on Armed Services of the Senate on September 14, 1999, including evidence not available at the time of Captain Charles Butler McVay's court-martial, and on the basis of extensive interviews and questioning of witnesses and knowledgeable officials and a review of the record of the court-martial for and in that hearing, that—

(A) recognizing that the Secretary of the Navy remitted the sentence of the court-martial and that Admiral Nimitz, as Chief of Naval Operations, restored Captain McVay to active duty, the American people should now recognize Captain McVay's lack of culpability for the tragic loss of the U.S.S. Indianapolis and the lives of the men who died as a result of her sinking; and

(B) knowing that vital information was not available to the court-martial board and that, as a result, Captain McVay was convicted, Captain McVay's military record should now reflect that he is exonerated for the loss of the ship and its crew.

(2) It is, further, the sense of Congress that Congress strongly encourages the Secretary of the Navy to award a Navy Unit Commendation to the U.S.S. Indianapolis and its final crew.

SEC. 576. SENIOR OFFICERS IN COMMAND IN HAWAII ON DECEMBER 7, 1941.

(a) FINDINGS.—Congress makes the following findings:

(1) Rear Admiral Husband E. Kimmel, formerly the Commander in Chief of the United States Fleet and the Commander in Chief, United States Pacific Fleet, had an excellent and unassailable record throughout his career in the United States Navy prior to the December 7, 1941, attack on Pearl Harbor.

(2) Major General Walter C. Short, formerly the Commander of the United States Army Hawaiian Department, had an excellent and unassailable record throughout his career in the United States Army prior to the December 7, 1941, attack on Pearl Harbor.

(3) Numerous investigations following the attack on Pearl Harbor have documented that Admiral Kimmel and Lieutenant General Short were not provided necessary and critical intelligence that was available, that foretold of war with Japan, that warned of imminent attack, and that would have alerted them to prepare for the attack, including such essential communiques as the Japanese Pearl Harbor Bomb Plot message of September 24, 1941, and the message sent from the Imperial Japanese Foreign Ministry to the Japanese Ambassador in the United States from December 6 to 7, 1941, known as the Fourteen-Part Message.

(4) On December 16, 1941, Admiral Kimmel and Lieutenant General Short were relieved of their commands and returned to their permanent ranks of rear admiral and major general.

(5) Admiral William Harrison Standley, who served as a member of the investigating commission known as the Roberts Commission that accused Admiral Kimmel and Lieutenant General Short of ''dereliction of duty'' only six weeks after the attack on Pearl Harbor, later disavowed the report maintaining that ''these two officers were martyred'' and ''if they had been brought to trial, both would have been cleared of the charge''.

(6) On October 19, 1944, a Naval Court of Inquiry exonerated Admiral Kimmel on the grounds that his military decisions and the disposition of his forces at the time of the December 7, 1941, attack on Pearl Harbor were proper ''by virtue of the information that Admiral Kimmel had at hand which indicated neither the probability nor the imminence of an air attack on Pearl Harbor''; criticized the higher command for not sharing with Admiral Kimmel ''during the very critical period of November 26 to December 7, 1941, important information . . . regarding the Japanese situation''; and, concluded that the Japanese attack and its outcome was attributable to no serious fault on the part of anyone in the naval service.

(7) On June 15, 1944, an investigation conducted by Admiral T. C. Hart at the direction of the Secretary of the Navy produced evidence, subsequently confirmed, that essential intelligence concerning Japanese intentions and war plans was available in Washington but was not shared with Admiral Kimmel.

(8) On October 20, 1944, the Army Pearl Harbor Board of Investigation determined that Lieutenant General Short had not been kept ''fully advised of the growing tenseness of the Japanese situation which indicated an increasing necessity for better preparation for war''; detailed information and intelligence about Japanese intentions and war plans were available in ''abundance'' but were not shared with the General Short's Hawaii command; and General Short was not provided ''on the evening of December 6th and the early morning of December 7th, the critical information indicating an almost immediate break with Japan, though there was ample time to have accomplished this''.

(9) The reports by both the Naval Court of Inquiry and the Army Pearl Harbor Board of Investigation were kept secret, and Rear Admiral Kimmel and Major General Short were denied their requests to defend themselves through trial by court-martial.

(10) The joint committee of Congress that was established to investigate the conduct of Admiral Kimmel and Lieutenant General Short completed, on May 31, 1946, a 1,075-page report which included the conclusions of the committee that the two officers had not been guilty of dereliction of duty.

(11) The then Chief of Naval Personnel, Admiral J. L. Holloway, Jr., on April 27, 1954, recommended that Admiral Kimmel be advanced in rank in accordance with the provisions of the Officer Personnel Act of 1947.

(12) On November 13, 1991, a majority of the members of the Board for the Correction of Military Records of the Department of the Army found that Lieutenant General Short ''was unjustly held responsible for the Pearl Harbor disaster'' and that ''it would be equitable and just'' to advance him to the rank of lieutenant general on the retired list.

(13) In October 1994, the then Chief of Naval Operations, Admiral Carlisle Trost, withdrew his 1988 recommendation against the advancement of Admiral Kimmel and recommended that the case of Admiral Kimmel be reopened.

(14) Although the Dorn Report, a report on the results of a Department of Defense study that was issued on December 15, 1995, did not provide support for an advancement of Rear Admiral Kimmel or Major General Short in grade, it did set forth as a conclusion of the study that ''responsibility for the Pearl Harbor disaster should not fall solely on the shoulders of Admiral Kimmel and Lieutenant General Short, it should be broadly shared''.

(15) The Dorn Report found that ''Army and Navy officials in Washington were privy to intercepted Japanese diplomatic communications . . . which provided crucial confirmation of the imminence of war''; that ''the evidence of the handling of these messages in Washington reveals some ineptitude, some unwarranted assumptions and misestimations, limited coordination, ambiguous language, and lack of clarification and followup at higher levels''; and, that ''together, these characteristics resulted in failure . . . to appreciate fully and to convey to the commanders in Hawaii the sense of focus and urgency that these intercepts should have engendered''.

(16) On July 21, 1997, Vice Admiral David C. Richardson (United States Navy, retired) responded to the Dorn Report with his own study which confirmed findings of the Naval Court of Inquiry and the Army Pearl Harbor Board of Investigation and established, among other facts, that the war effort in 1941 was undermined by a restrictive intelligence distribution policy, and the degree to which the commanders of the United States forces in Hawaii were not alerted about the impending attack on Hawaii was directly attributable to the withholding of intelligence from Admiral Kimmel and Lieutenant General Short.

(17) The Officer Personnel Act of 1947, in establishing a promotion system for the Navy and the Army, provided a legal basis for the President to honor any officer of the Armed Forces of the United States who served his country as a senior commander during World War II with a placement of that officer, with the advice and consent of the Senate, on the retired list with the highest grade held while on the active duty list.

(18) Rear Admiral Kimmel and Major General Short are the only two eligible officers from World War II who were excluded from the list of retired officers presented for advancement on the retired lists to their highest wartime ranks under the terms of the Officer Personnel Act of 1947.

(19) This singular exclusion from advancement on the retired list serves only to perpetuate the myth that the senior commanders in Hawaii were derelict in their duty and responsible for the success of the attack on Pearl Harbor, a distinct and unacceptable expression of dishonor toward two of the finest officers who have served in the Armed Forces of the United States.

(20) Major General Walter Short died on September 23, 1949, and Rear Admiral Husband Kimmel died on May 14, 1968, without the honor of having been returned to their wartime ranks as were their fellow veterans of World War II.

(21) The Veterans of Foreign Wars, the Pearl Harbor Survivors Association, the Admiral Nimitz Foundation, the Naval Academy Alumni Association, the Retired Officers Association, and the Pearl Harbor Commemorative Committee, and other associations and numerous retired military officers have called for the rehabilitation of the reputations and honor of Admiral Kimmel and Lieutenant General Short through their posthumous advancement on the retired lists to their highest wartime grades.

(b) ADVANCEMENT OF REAR ADMIRAL KIMMEL AND MAJOR GENERAL SHORT ON RETIRED LISTS.—(1) The President is requested—

(A) to advance the late Rear Admiral Husband E. Kimmel to the grade of admiral on the retired list of the Navy; and

(B) to advance the late Major General Walter C. Short to the grade of lieutenant general on the retired list of the Army.

(2) Any advancement in grade on a retired list requested under paragraph (1) shall not increase or change the compensation or benefits from the United States to which any person is now or may in the future be entitled based upon the military service of the officer advanced.

(c) SENSE OF CONGRESS REGARDING THE PROFESSIONAL PERFORMANCE OF ADMIRAL KIMMEL AND LIEUTENANT GENERAL SHORT.—It is the sense of Congress that—

(1) the late Rear Admiral Husband E. Kimmel performed his duties as Commander in Chief, United States Pacific Fleet, competently and professionally, and, therefore, the losses incurred by the United States in the attacks on

the naval base at Pearl Harbor, Hawaii, and other targets on the island of Oahu, Hawaii, on December 7, 1941, were not a result of dereliction in the performance of those duties by the then Admiral Kimmel; and

(2) the late Major General Walter C. Short performed his duties as Commanding General, Hawaiian Department, competently and professionally, and, therefore, the losses incurred by the United States in the attacks on Hickam Army Air Field and Schofield Barracks, Hawaii, and other targets on the island of Oahu, Hawaii, on December 7, 1941, were not a result of dereliction in the performance of those duties by the then Lieutenant General Short.

SEC. 577. VERBATIM RECORDS IN SPECIAL COURTS-MARTIAL.

(a) WHEN REQUIRED.—Subsection (c)(1)(B) of section 854 of title 10, United States Code (article 54 of the Uniform Code of Military Justice), is amended by inserting after ''bad-conduct discharge'' the following: '', confinement for more than six months, or forfeiture of pay for more than six months''.

(b) RETROACTIVE EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as of April 1, 2000, and shall apply with respect to charges referred on or after that date to trial by special courts-martial.

SEC. 578. MANAGEMENT AND PER DIEM REQUIREMENTS FOR MEMBERS SUBJECT TO LENGTHY OR NUMEROUS DEPLOYMENTS.

(a) MANAGEMENT OF DEPLOYMENTS OF MEMBERS.—Section 586(a) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 637) is amended in the text of section 991 of title 10, United States Code, set forth in such section 586(a)—

(1) in subsection (a), by striking ''an officer in the grade of general or admiral'' in the second sentence and inserting ''the designated component commander for the member's armed force''; and

(2) in subsection (b)—

(A) in paragraph (1), by inserting ''or homeport, as the case may'' before the period at the end;

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

(C) by inserting after paragraph (1) the following new paragraph (2):

''(2) In the case of a member of a reserve component performing active service, the member shall be considered deployed or in a deployment for the purposes of paragraph (1) on any day on which, pursuant to orders that do not establish a permanent change of station, the member is performing the active service at a location that—

''(A) is not the member's permanent training site; and

''(B) is—

''(i) at least 100 miles from the member's permanent residence; or

''(ii) a lesser distance from the member's permanent residence that, under the circumstances applicable to the member's travel, is a distance that requires at least three hours of travel to traverse.''; and

(D) in paragraph (3), as redesignated by subparagraph (B) of this paragraph—

(i) by striking ''or'' at the end of subparagraph (A);

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

(iii) by adding at the end the following:

''(C) unavailable solely because of—

''(i) a hospitalization of the member at the member's permanent duty station or homeport or in the immediate vicinity of the member's permanent residence; or

''(ii) a disciplinary action taken against the member.''.

(b) ASSOCIATED PER DIEM ALLOWANCE.—Section 586(b) of that Act (113 Stat. 638) is amended in the text of section 435 of title 37, United States Code, set forth in such section 586(b)—

(1) in subsection (a), by striking ''251 days or more out of the preceding 365 days'' and inserting ''501 or more days out of the preceding 730 days''; and

(2) in subsection (b), by striking ''prescribed under paragraph (3)'' and inserting ''prescribed under paragraph (4)''.

(c) REVIEW OF MANAGEMENT OF DEPLOYMENTS OF INDIVIDUAL MEMBERS.— Not later than March 31, 2002, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the administration of section 991 of title 10, United States Code (as added by section 586(a) of the National Defense Authorization Act for Fiscal Year 2000), during the first year that such section 991 is in effect. The report shall include—

(1) a discussion of the experience in tracking and recording the deployments of members of the Armed Forces; and

(2) any recommendations for revision of such section 991 that the Secretary considers appropriate.

SEC. 579. EXTENSION OF TRICARE MANAGED CARE SUPPORT CONTRACTS.

(a) AUTHORITY.—Notwithstanding any other provision of law, the TRICARE managed care support contracts in effect, or in final stages of acquisition as of September 30, 1999, may be extended for four years, subject to subsection (b).

(b) CONDITIONS.—Any extension of a contract under paragraph (1)—

(1) may be made only if the Secretary of Defense determines that it is in the best interest of the Government to do so; and

(2) shall be based on the price in the final best and final offer for the last year of the existing contract as adjusted for inflation and other factors mutually agreed to by the contractor and the Government.

SEC. 580. PREPARATION, PARTICIPATION, AND CONDUCT OF ATHLETIC COMPETITIONS AND SMALL ARMS COMPETITIONS BY THE NATIONAL GUARD AND MEMBERS OF THE NATIONAL GUARD.

(a) PREPARATION AND PARTICIPATION OF MEMBERS GENERALLY.—Subsection (a) of section 504 of title 32, United States Code, is amended—

(1) by striking ''or'' at the end of paragraph (2);

(2) in paragraph (3)—

(A) by inserting ''prepare for and'' before ''participate''; and

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

(3) by adding at the end the following:

''(4) prepare for and participate in qualifying athletic competitions.''.

(b) CONDUCT OF COMPETITIONS.—That section is further amended by adding at the end the following new subsection:

''(c)(1) Units of the National Guard may conduct small arms competitions and athletic competitions in conjunction with training required under this chapter if such activities would meet the requirements set forth in paragraphs (1), (3), and (4) of section 508(a) of this title if such activities were services to be provided under that section.

''(2) Facilities and equipment of the National Guard, including military property and vehicles described in section 508(c) of this title, may be used in connection with activities under paragraph (1).''.

(c) AVAILABILITY OF FUNDS.—That section is further amended by adding at the end the following new subsection:

''(d) Subject to provisions of appropriations Acts, amounts appropriated for the National Guard may be used in order to cover the costs of activities under subsection (c) and of expenses of members of the National Guard under paragraphs (3) and (4) of subsection (a), including expenses of attendance and participation fees, travel, per diem, clothing, equipment, and related expenses.''.

(d) QUALIFYING ATHLETIC COMPETITIONS DEFINED.—That section is further amended by adding at the end the following new subsection:

''(e) In this section, the term 'qualifying athletic competition' means a competition in athletic events that require skills relevant to military duties or involve aspects of physical fitness that are evaluated by the armed forces in determining whether a member of the National Guard is fit for military duty.''.

(e) CONFORMING AND CLERICAL AMENDMENTS.—(1) The section heading of such section is amended to read as follows:

''§ 504. National Guard schools; small arms competitions; athletic competitions''.

(2) The table of sections at the beginning of chapter 5 of that title is amended by striking the item relating to section 504 and inserting the following new item:

''504. National Guard schools; small arms competitions; athletic competitions.''.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2001.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment to become effective during fiscal year 2001 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

(b) INCREASE IN BASIC PAY.—Effective on January 1, 2001, the rates of monthly basic pay for members of the uniformed services are increased by 3.7 percent.

SEC. 602. CORRECTIONS FOR BASIC PAY TABLES.

Section 601(c) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65) is amended—

(1) in footnote 2 under the first table (113 Stat. 646), relating to commissioned officers, by striking ''$12,441.00'' and inserting ''$12,488.70''; and

(2) in footnote 2 under the fourth table (113 Stat. 648), relating to enlisted members, by striking ''$4,701.00'' and inserting ''$4,719.00''.

SEC. 603. PAY IN LIEU OF ALLOWANCE FOR FUNERAL HONORS DUTY.

(a) COMPENSATION AT RATE FOR INACTIVE-DUTY TRAINING.—(1) Section 115(b)(2) of title 32, United States Code, is amended to read as follows:

''(2) as directed by the Secretary concerned, either—

''(A) the allowance under section 435 of title 37; or

''(B) compensation under section 206 of title 37.''.

(2) Section 12503(b)(2) of title 10, United States Code, is amended to read as follows:

''(2) as directed by the Secretary concerned, either—

''(A) the allowance under section 435 of title 37; or

''(B) compensation under section 206 of title 37.''.

(b) CONFORMING REPEAL.—Section 435 of title 37, United States Code, is amended by striking subsection (c).

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2000, and shall apply with respect to months beginning on or after that date.

SEC. 604. CLARIFICATION OF SERVICE EXCLUDED IN COMPUTATION OF CREDITABLE SERVICE AS A MARINE CORPS OFFICER.

(a) SERVICE AS RESERVE ENLISTED MEMBER IN PLATOON LEADERS CLASS.—Section 205(f) of title 37, United States Code, is amended by striking ''that the officer performed concurrently as a member'' and inserting ''that the officer performed concurrently as an enlisted member''.

(b) CORRECTION OF REFERENCE.—Such section 205(f) is further amended by striking ''section 12209'' and inserting ''section 12203''.

SEC. 605. CALCULATION OF BASIC ALLOWANCE FOR HOUSING.

(a) RATES.—Subsection (b) of section 403 of title 37, United States Code, is amended—

(1) by striking paragraph (2);

(2) by redesignating paragraph (1) as paragraph (2);

(3) by inserting after ''(b) BASIC ALLOWANCE FOR HOUSING INSIDE THE UNITED STATES.—'' the following: ''(1) The Secretary of Defense shall prescribe the rates of the basic allowance for housing that are applicable for the various military housing areas in the United States. The rates for an area shall be based on the costs of adequate housing determined for the area under paragraph (2).''; and

(4) in paragraph (6), by striking '', changes in the national average monthly cost of housing,''.

(b) REPEAL OF LIMITATION ON TOTAL PAYMENTS.—Subsection (b) of such section is further amended—

(1) by striking paragraphs (3) and (5); and

(2) by redesignating paragraphs (4), (6), and (7) as paragraphs (3), (4), and (5), respectively.

SEC. 606. ELIGIBILITY OF MEMBERS IN GRADE E–4 TO RECEIVE BASIC ALLOWANCE FOR HOUSING WHILE ON SEA DUTY.

(a) PAYMENT AUTHORIZED.—Subsection (f)(2)(B) of section 403 of title 37, United States Code, is amended—

(1) by striking ''E–5'' in the first sentence and inserting ''E–4 or E–5''; and

(2) by striking ''grade E–5'' in the second sentence and inserting ''grades E–4 and E–5''.

(b) CONFORMING AMENDMENT.—Subsection (m)(1)(B) of such section is amended by striking ''E–4'' and inserting ''E–3''.

SEC. 607. PERSONAL MONEY ALLOWANCE FOR THE SENIOR ENLISTED MEMBERS OF THE ARMED FORCES.

(a) AUTHORITY.—Section 414 of title 37, United States Code, is amended by adding at the end the following:

''(c) In addition to other pay or allowances authorized by this title, a noncommissioned officer is entitled to a personal money allowance of $2,000 a year while serving as the Sergeant Major of the Army, the Master Chief Petty Officer of the Navy, the Chief Master Sergeant of the Air Force, the Sergeant Major of the Marine Corps, or the Master Chief Petty Officer of the Coast Guard.''.

(b) EFFECTIVE DATE.—This section and the amendment made by this section shall take effect on October 1, 2000.

SEC. 608. INCREASED UNIFORM ALLOWANCES FOR OFFICERS.

(a) INITIAL ALLOWANCE.—Section 415(a) of title 37, United States Code, is amended by striking ''$200'' and inserting ''$400''.

(b) ADDITIONAL ALLOWANCE.—Section 416(a) of such title is amended by striking ''$100'' and inserting ''$200''.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2000.

SEC. 609. CABINET-LEVEL AUTHORITY TO PRESCRIBE REQUIREMENTS AND ALLOWANCE FOR CLOTHING OF ENLISTED MEMBERS.

Section 418 of title 37, United States Code, is amended—

(1) in subsection (a), by striking ''The President'' and inserting ''The Secretary of Defense and the Secretary of Transportation, with respect to the Coast Guard when it is not operating as a service in the Navy,''; and

(2) in subsection (b), by striking ''the President'' and inserting ''the Secretary of Defense''.

SEC. 610. SPECIAL SUBSISTENCE ALLOWANCE FOR MEMBERS ELIGIBLE TO RECEIVE FOOD STAMP ASSISTANCE.

(a) ALLOWANCE.—(1) Chapter 7 of title 37, United States Code, is amended by inserting after section 402 the following new section:

''§ 402a. Special subsistence allowance

''(a) ENTITLEMENT.—(1) Upon the application of an eligible member of a uniformed service described in subsection (b), the Secretary concerned shall pay the member a special subsistence allowance for each month for which the member is eligible to receive food stamp assistance.

''(2) In determining the eligibility of a member to receive food stamp assistance for purposes of this section, the amount of any special subsistence allowance paid the member under this section shall not be taken into account.

''(b) COVERED MEMBERS.—An enlisted member referred to in subsection (a) is an enlisted member in pay grade E–5 or below.

''(c) TERMINATION OF ENTITLEMENT.—The entitlement of a member to receive payment of a special subsistence allowance terminates upon the occurrence of any of the following events:

''(1) Termination of eligibility for food stamp assistance.

''(2) Payment of the special subsistence allowance for 12 consecutive months.

''(3) Promotion of the member to a higher grade.

''(4) Transfer of the member in a permanent change of station.

''(d) REESTABLISHED ENTITLEMENT.—(1) After a termination of a member's entitlement to the special subsistence allowance under subsection (c), the Secretary concerned shall resume payment of the special subsistence allowance to the member if the Secretary determines, upon further application of the member, that the member is eligible to receive food stamps.

''(2) Payments resumed under this subsection shall terminate under subsection (c) upon the occurrence of an event described in that subsection after the resumption of the payments.

''(3) The number of times that payments are resumed under this subsection is unlimited.

''(e) DOCUMENTATION OF ELIGIBILITY.—A member of the uniformed services applying for the special subsistence allowance under this section shall furnish the Secretary concerned with such evidence of the member's eligibility for food stamp assistance as the Secretary may require in connection with the application.

''(f) AMOUNT OF ALLOWANCE.—The monthly amount of the special subsistence allowance under this section is $180.

''(g) RELATIONSHIP TO BASIC ALLOWANCE FOR SUBSISTENCE.—The special subsistence allowance under this section is in addition to the basic allowance for subsistence under section 402 of this title.

''(h) FOOD STAMP ASSISTANCE DEFINED.—In this section, the term 'food stamp assistance' means assistance under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

''(i) TERMINATION OF AUTHORITY.—No special subsistence allowance may be made under this section for any month beginning after September 30, 2005.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 402 the following:

''402a. Special subsistence allowance.''.

(b) EFFECTIVE DATE.—Section 402a of title 37, United States Code, shall take effect on the first day of the first month that begins on or after the date of the enactment of this Act.

(c) ANNUAL REPORT.—(1) Not later than March 1 of each year after 2000, the Comptroller General of the United States shall submit to Congress a report setting forth the number of members of the uniformed services who are eligible for assistance under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

(2) In preparing the report, the Comptroller General shall consult with the Secretary of Defense, the Secretary of Transportation (with respect to the Coast Guard), the Secretary of Health and Human Services (with respect to the commissioned corps of the Public Health Service), and the Secretary of Commerce (with respect to the commissioned officers of the National Oceanic and Atmospheric Administration), who shall provide the Comptroller General with any information that the Comptroller General determines necessary to prepare the report.

(3) No report is required under this subsection after March 1, 2005.

SEC. 610A. RESTRUCTURING OF BASIC PAY TABLES FOR CERTAIN ENLISTED MEMBERS.

(a) IN GENERAL.—The table under the heading ''ENLISTED MEMBERS'' in section 601(c) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 105–65; 113 Stat. 648) is amended by striking the amounts relating to pay grades E–7, E–6, and E–5 and inserting the amounts for the corresponding years of service specified in the following table:

ENLISTED MEMBERS

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–7 ..	1,765.80	1,927.80	2,001.00	2,073.00	2,148.60
E–6 ..	1,518.90	1,678.20	1,752.60	1,824.30	1,899.40
E–5 ..	1,332.60	1,494.00	1,566.00	1,640.40	1,715.70
	Over 8	Over 10	Over 12	Over 14	Over 16
E–7 ..	2,277.80	2,350.70	2,423.20	2,495.90	2,570.90
E–6 ..	2,022.60	2,096.40	2,168.60	2,241.90	2,294.80
E–5 ..	1,821.00	1,893.00	1,967.10	1,967.60	1,967.60
	Over 18	Over 20	Over 22	Over 24	Over 26

ENLISTED MEMBERS—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–7 ..	2,644.20	2,717.50	2,844.40	2,926.40	3,134.40
E–6 ..	2,332.00	2,332.00	2,335.00	2,335.00	2,335.00
E–5 ..	1,967.60	1,967.60	1,967.60	1,967.60	1,967.60

(b) APPLICATION OF AMENDMENTS.—The amendments made by subsection (a) shall take effect as of October 1, 2000, and shall apply with respect to months beginning on or after that date.

SEC. 610B. BASIC ALLOWANCE FOR HOUSING.

(a) APPLICABILITY OF LOW-COST AND NO-COST REASSIGNMENTS TO MEMBERS WITH DEPENDENTS.—Subsection (b)(7) of section 403 of title 37, United States Code, is amended by striking ''without dependents''.

(b) ALLOWANCE WHEN DEPENDENTS ARE UNABLE TO ACCOMPANY MEMBERS.—Subsection (d) of such section is amended by striking paragraph (3) and inserting the following:

''(3) In the case of a member with dependents who is assigned to duty in an area that is different from the area in which the member's dependents reside—

''(A) the member shall receive a basic allowance for housing as provided in subsection (b) or (c), as appropriate;

''(B) if the member is assigned to duty in an area or under circumstances that, as determined by the Secretary concerned, require the member's dependents to reside in a different area, the member shall receive a basic allowance for housing as if the member were assigned to duty in the area in which the dependents reside or at the member's last duty station, whichever the Secretary concerned determines to be equitable; or

''(C) if the member is assigned to duty in that area under the conditions of low-cost or no-cost permanent change of station or permanent change of assignment and the Secretary concerned determines that it would be inequitable to base the member's entitlement to, and amount of, a basic allowance for housing on the cost of housing in the area to which the member is reassigned, the member shall receive a basic allowance for housing as if the member were assigned to duty at the member's last duty station.''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on October 1, 2000, and shall apply with respect to pay periods beginning on and after that date.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) SPECIAL PAY FOR HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section 302g(f) of title 37, United States Code, is amended by striking ''December 31, 2000'' and inserting ''December 31, 2001''.

(b) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of such title is amended by striking ''December 31, 2000'' and inserting ''December 31, 2001''.

(c) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of such title is amended by striking ''December 31, 2000'' and inserting ''December 31, 2001''.

(d) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of such title is amended by striking ''December 31, 2000'' and inserting ''December 31, 2001''.

(e) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of such title is amended by striking ''December 31, 2000'' and inserting ''December 31, 2001''.

(f) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of such title is amended by striking ''December 31, 2000'' and inserting ''December 31, 2001''.

(g) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(f) of such title is amended by striking ''December 31, 2000'' and inserting ''December 31, 2001''.

(h) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of title 10, United States Code, is amended by striking ''January 1, 2001'' and inserting ''January 1, 2002''.

SEC. 612. EXTENSION OF CERTAIN BONUSES AND SPECIAL PAY AUTHORITIES FOR NURSE OFFICER CANDIDATES, REGISTERED NURSES, AND NURSE ANESTHETISTS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking ''December 31, 2000'' and inserting ''December 31, 2001''.

(b) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking ''December 31, 2000'' and inserting ''December 31, 2001''.

(c) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of title 37, United States Code, is amended by striking ''December 31, 2000'' and inserting ''December 31, 2001''.

SEC. 613. EXTENSION OF AUTHORITIES RELATING TO PAYMENT OF OTHER BONUSES AND SPECIAL PAYS.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking ''December 31, 2000,'' and inserting ''December 31, 2001,''.

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of such title is amended by striking ''December 31, 2000'' and inserting ''December 31, 2001''.

(c) ENLISTMENT BONUS FOR PERSONS WITH CRITICAL SKILLS.—Section 308a(d) of such title is amended by striking ''December 31, 2000'' and inserting ''December 31, 2001''.

(d) ARMY ENLISTMENT BONUS.—Section 308f(c) of such title is amended by striking ''December 31, 2000'' and inserting ''December 31, 2001''.

(e) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of such title is amended by striking ''December 31, 2000'' and inserting ''December 31, 2001''.

(f) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of such title is amended by striking ''December 31, 2000'' and inserting ''December 31, 2001''.

(g) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of such title is amended by striking ''December 31, 2000'' and inserting ''December 31, 2001''.

SEC. 614. CONSISTENCY OF AUTHORITIES FOR SPECIAL PAY FOR RESERVE MEDICAL AND DENTAL OFFICERS.

(a) RESERVE MEDICAL OFFICERS SPECIAL PAY.—Section 302(h)(1) of title 37, United States Code, is amended by adding at the end: '', including active duty in the form of annual training, active duty for training, and active duty for special work''.

(b) RESERVE DENTAL OFFICERS SPECIAL PAY AMENDMENT.—Subsection (d) of section 302f of title 37, United States Code, is amended to read as follows:

''(d) SPECIAL RULE FOR RESERVE MEDICAL AND DENTAL OFFICERS.—While a Reserve medical or dental officer receives a special pay under section 302 or 302b of this title by reason of subsection (a), the officer shall not be entitled to special pay under section 302(h) or 302b(h) of this title.''.

SEC. 615. SPECIAL PAY FOR PHYSICIAN ASSISTANTS OF THE COAST GUARD.

Section 302c(d)(1) of title 37, United States Code, is amended by inserting after ''nurse,'' the following: ''an officer of the Coast Guard or Coast Guard Reserve designated as a physician assistant,''.

SEC. 616. AUTHORIZATION OF SPECIAL PAY AND ACCESSION BONUS FOR PHARMACY OFFICERS.

(a) AUTHORIZATION OF SPECIAL PAY.—Chapter 5 of title 37, United States Code, is amended by inserting after section 302h the following new section:

''§ 302i. Special pay: pharmacy officers

''(a) ARMY, NAVY, AND AIR FORCE PHARMACY OFFICERS.—Under regulations prescribed pursuant to section 303a of this title, the Secretary of the military department concerned may, subject to subsection (c), pay special pay at the rates specified in subsection (d) to an officer who—

''(1) is a pharmacy officer in the Medical Service Corps of the Army or Navy or the Biomedical Sciences Corps of the Air Force; and

''(2) is on active duty under a call or order to active duty for a period of not less than one year.

''(b) PUBLIC HEALTH SERVICE CORPS.—Subject to subsection (c), the Secretary of Health and Human Services may pay special pay at the rates specified in subsection (d) to an officer who—

''(1) is an officer in the Regular or Reserve Corps of the Public Health Service and is designated as a pharmacy officer; and

''(2) is on active duty under a call or order to active duty for a period of not less than one year.

''(c) LIMITATION.—Special pay may not be paid under this section to an officer serving in a pay grade above pay grade O–6.

''(d) RATE OF SPECIAL PAY.—The rate of special pay paid to an officer subsection (a) or (b) is as follows:

''(1) $3,000 per year, if the officer is undergoing pharmacy internship training or has less than 3 years of creditable service.

''(2) $7,000 per year, if the officer has at least 3 but less than 6 years of creditable service and is not undergoing pharmacy internship training.

''(3) $7,000 per year, if the officer has at least 6 but less than 8 years of creditable service.

''(4) $12,000 per year, if the officer has at least 8 but less than 12 years of creditable service.

''(5) $10,000 per year, if the officer has at least 12 but less than 14 years of creditable service.

''(6) $9,000 per year, if the officer has at least 14 but less than 18 years of creditable service.

''(7) $8,000 per year, if the officer has 18 or more years of creditable service.''.

(b) AUTHORIZATION OF ACCESSION BONUSES.—Chapter 5 of that title is further amended by inserting after section 302i, as added by subsection (a) of this section, the following new section:

"§ 302j. Special pay: accession bonus for pharmacy officers

''(a) ACCESSION BONUS AUTHORIZED.—A person who is a graduate of an accredited pharmacy school and who, during the period beginning on the date of the enactment of the National Defense Authorization Act for Fiscal Year 2001 and ending on September 30, 2004, executes a written agreement described in subsection (c) to accept a commission as an officer of a uniformed service and remain on active duty for a period of not less than 4 years may, upon acceptance of the agreement by the Secretary concerned, be paid an accession bonus in an amount determined by the Secretary concerned.

''(b) LIMITATION ON AMOUNT OF BONUS.—The amount of an accession bonus under subsection (a) may not exceed $30,000.

''(c) LIMITATION ON ELIGIBILITY FOR BONUS.—A person may not be paid a bonus under subsection (a) if—

''(1) the person, in exchange for an agreement to accept an appointment as a warrant or commissioned officer, received financial assistance from the Department of Defense or the Department of Health and Human Services to pursue a course of study in pharmacy; or

''(2) the Secretary concerned determines that the person is not qualified to become and remain licensed as a pharmacist.

''(d) AGREEMENT.—The agreement referred to in subsection (a) shall provide that, consistent with the needs of the uniformed service concerned, the person executing the agreement shall be assigned to duty, for the period of obligated service covered by the agreement, as a pharmacy officer in the Medical Service Corps of the Army or Navy, a biomedical sciences officer in the Air Force designated as a pharmacy officer, or a pharmacy officer of the Public Health Service.

''(e) REPAYMENT.—(1) An officer who receives a payment under subsection (a) and who fails to become and remain licensed as a pharmacist during the period for which the payment is made shall refund to the United States an amount equal to the full amount of such payment.

''(2) An officer who voluntarily terminates service on active duty before the end of the period agreed to be served under subsection (a) shall refund to the United States an amount that bears the same ratio to the amount paid to the officer as the unserved part of such period bears to the total period agreed to be served.

''(3) An obligation to reimburse the United States under paragraph (1) or (2) is for all purposes a debt owed to the United States.

''(4) A discharge in bankruptcy under title 11 that is entered less than 5 years after the termination of an agreement under this section does not discharge the person signing such agreement from a debt arising under such agreement or this subsection. This paragraph applies to any case commenced under title 11 after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2001.''.

(c) ADMINISTRATION.—Section 303a of title 37, United States Code, is amended by striking ''302h'' each place it appears and inserting ''302j''.

(d) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 5 of such title is amended by inserting after the item relating to section 302h the following new items:

''302i. Special pay: pharmacy officers.
''302j. Special pay: accession bonus for pharmacy officers.''.

SEC. 617. CORRECTION OF REFERENCES TO AIR FORCE VETERINARIANS.

Section 303(a) of title 37, United States Code, is amended—

(1) in paragraph (1)(B), by striking ''who is designated as a veterinary officer'' and inserting ''who is an officer in the Biomedical Sciences Corps and holds a degree in veterinary medicine''; and

(2) in paragraph (2), by striking subparagraph (B) and inserting the following:

''(B) of a reserve component of the Air Force, of the Army or the Air Force without specification of component, or of the National Guard, who—

''(i) is designated as a veterinary officer; or

''(ii) is an officer in the Biomedical Sciences Corps of the Air Force and holds a degree in veterinary medicine; or''.

SEC. 618. ENTITLEMENT OF ACTIVE DUTY OFFICERS OF THE PUBLIC HEALTH SERVICE CORPS TO SPECIAL PAYS AND BONUSES OF HEALTH PROFESSIONAL OFFICERS OF THE ARMED FORCES.

(a) IN GENERAL.—Section 303a of title 37, United States Code, is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d); and

(2) by inserting after subsection (a) the following new subsection (b):

''(b)(1) Except as provided in paragraph (2) or as otherwise provided under a provision of this chapter, commissioned officers in the Regular or Reserve Corps of the Public Health Service shall be entitled to special pay under the provisions of this chapter in the same amounts, and under the same terms and conditions, as commissioned officers of the armed forces are entitled to special pay under the provisions of this chapter.

''(2) A commissioned medical officer in the Regular or Reserve Corps of the Public Health Service (other than an officer serving in the Indian Health Service) may not receive additional special pay under section 302(a)(4) of this title for any period during which the officer is providing obligated service under the following provisions of law:

''(A) Section 338B of the Public Health Service Act (42 U.S.C. 254l–1).

''(B) Section 225(e) of the Public Health Service Act, as that section was in effect before 1, 1977.

''(C) Section 752 of the Public Health Service Act, as that section was in effect between October 1, 1977, and August 13, 1981.''.

(b) REPEAL OF SUPERSEDED PROVISIONS.—Section 208(a) of the Public Health Service Act (42 U.S.C. 210(a)) is amended—

(1) by striking paragraphs (2) and (3); and

(2) by inserting after paragraph (1) the following new paragraph (2):

''(2) For provisions relating to the receipt of special pay by commissioned officers of the Regular and Reserve Corps while on active duty, see section 303a(b) of title 37, United States Code.''.

SEC. 619. CAREER SEA PAY.

(a) REFORM OF AUTHORITIES.—Section 305a of title 37, United States Code, is amended—

(1) in subsection (a), by striking ''Under regulations prescribed by the President, a member'' and inserting ''A member'';

(2) by redesignating subsection (d) as subsection (e); and

(3) by striking subsections (b) and (c) and inserting the following:

''(b) The Secretary concerned shall prescribe the monthly rates for special pay applicable to members of each armed force under the Secretary's jurisdiction. No monthly rate may exceed $750.

''(c) A member of a uniformed service entitled to career sea pay under this section who has served 36 consecutive months of sea duty is also entitled to a career sea pay premium for the thirty-seventh consecutive month and each subsequent consecutive month of sea duty served by such member. The monthly amount of the premium shall be prescribed by the Secretary concerned, but may not exceed $350.

''(d) The Secretary concerned shall prescribe regulations for the administration of this section for the armed force or armed forces under the jurisdiction of the Secretary. The entitlements under this section shall be subject to the regulations.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2000, and shall apply with respect to months beginning on or after that date.

SEC. 620. INCREASED MAXIMUM RATE OF SPECIAL DUTY ASSIGNMENT PAY.

Section 307(a) of title 37, United States Code, is amended—

(1) by striking ''$275'' and inserting ''$600''; and

(2) by striking the second sentence.

SEC. 621. EXPANSION OF APPLICABILITY OF AUTHORITY FOR CRITICAL SKILLS ENLISTMENT BONUS TO INCLUDE ALL ARMED FORCES.

(a) EXPANSION OF AUTHORITY.—Section 308f of title 37, United States Code, is amended—

(1) by striking ''Secretary of the Army'' each place it appears and inserting ''Secretary concerned''; and

(2) by striking ''the Army'' in subsections (a)(3) and (c) and inserting ''an armed force''.

(b) CONFORMING AMENDMENT.—The heading for such section is amended to read as follows:

"§ 308f. Special pay: bonus for enlistment".

(c) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 5 of title 37, United States Code, is amended by striking the item relating to section 308f and inserting the following:

''308f. Special pay: bonus for enlistment.''.

(d) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2000, and shall apply with respect to months beginning on or after that date.

SEC. 622. ENTITLEMENT OF MEMBERS OF THE NATIONAL GUARD AND OTHER RESERVES NOT ON ACTIVE DUTY TO RECEIVE SPECIAL DUTY ASSIGNMENT PAY.

(a) AUTHORITY.—Section 307(a) of title 37, United States Code, is amended by inserting after ''is entitled to basic pay'' in the first sentence the following: '', or is entitled to compensation under section 206 of this title in the case of a member of a reserve component not on active duty,''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the first day of the first month that begins on or after the date of the enactment of this Act.

Subtitle C—Travel and Transportation Allowances

SEC. 631. ADVANCE PAYMENTS FOR TEMPORARY LODGING OF MEMBERS AND DEPENDENTS.

(a) SUBSISTENCE EXPENSES.—Section 404a of title 37, United States Code, is amended—

(1) by redesignating subsections (b) and (c) as subsections (d) and (e), respectively; and

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

''(a)(1) Under regulations prescribed by the Secretaries concerned, a member of a uniformed service who is ordered to make a change of permanent station described in paragraph (2) shall be paid or reimbursed for subsistence expenses of the member and the member's dependents for the period (subject to subsection (c)) for which the member and dependents occupy temporary quarters incident to that change of permanent station.

''(2) Paragraph (1) applies to the following:

''(A) A permanent change of station from any duty station to a duty station in the United States (other than Hawaii or Alaska).

''(B) A permanent change of station from a duty station in the United States (other than Hawaii or Alaska) to a duty station outside the United States or in Hawaii or Alaska.

''(b) The Secretary concerned may make any payment for subsistence expenses to a member under this section in advance of the incurrence of the expenses. The amount of an advance payment made to a member shall be computed on the basis of the Secretary's determination of the average number of days that members and their dependents occupy temporary quarters under the circumstances applicable to the member and the member's dependents.

''(c)(1) In the case of a change of permanent station described in subsection (a)(2)(A), the period for which subsistence expenses are to be paid or reimbursed under this section may not exceed 10 days.

''(2) In the case of a change of permanent station described in subsection (a)(2)(B)—

''(A) the period for which such expenses are to be paid or reimbursed under this section may not exceed five days; and

''(B) such payment or reimbursement may be provided only for expenses incurred before leaving the United States (other than Hawaii or Alaska).''.

(b) PER DIEM.—Section 405 of such title is amended—

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

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

''(a) Without regard to the monetary limitation of this title, the Secretary concerned may pay a per diem to a member who is on duty outside of the United States or in Hawaii or Alaska, whether or not the member is in a travel status. The Secretary may pay the per diem in advance of the accrual of the per diem.

''(b) In determining the per diem to be paid under this section, the Secretary concerned shall consider all elements of the cost of living to members of the uniformed services under the Secretary's jurisdiction and their dependents, including the cost of quarters, subsistence, and other necessary incidental expenses. However, dependents may not be considered in determining the per diem allowance for a member in a travel status.''.

SEC. 632. INCENTIVE FOR SHIPPING AND STORING HOUSEHOLD GOODS IN LESS THAN AVERAGE WEIGHTS.

Section 406(b)(1) of title 37, United States Code, is amended by adding at the end the following new subparagraph:

''(G) The Secretary concerned may pay a member a share (determined by the Secretary) of the amount of the savings resulting to the United States for less than average shipping and storage of the member's baggage and household effects under subparagraph (A). Shipping and storage of a member's baggage and household effects for a member shall be considered as less than average if the total weights of the baggage and household effects shipped and stored are less than the average weights of the baggage and household effects that are shipped and stored, respectively, by members of the same grade and status with respect to dependents as the member in connection with changes of station that are comparable to the member's change of station. The amount of the savings shall be the amount equal to the excess of the cost of shipping and cost of storing such average weights of baggage and household effects, respectively, over the corresponding costs associated with the weights of the member's baggage and household effects. For the administration of this subparagraph, the Secretary of Defense shall annually determine the average weights of baggage and household effects shipped and stored.''.

SEC. 633. EXPANSION OF FUNDED STUDENT TRAVEL.

Section 430 of title 37, United States Code, is amended—

(1) in subsection (a)(3), by striking ''for the purpose of obtaining a secondary or undergraduate college education'' and inserting ''for the purpose of obtaining a formal education'';

(2) in subsection (b), by striking ''for the purpose of obtaining a secondary or undergraduate college education'' and inserting ''for the purpose of obtaining a formal education''; and

(3) in subsection (f)—

(A) by striking ''In this section, the term'' and insert the following:

''In this section:

''(1) The term''; and

(B) by adding at the end the following:

''(2) The term 'formal education' means the following:

''(A) A secondary education.

''(B) An undergraduate college education.

''(C) A graduate education pursued on a full-time basis at an institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)).

''(D) Vocational education pursued on a full-time basis at a post-secondary vocational institution (as defined in section 102(c) of the Higher Education Act of 1965 (20 U.S.C. 1002(c))).''.

SEC. 634. BENEFITS FOR MEMBERS NOT TRANSPORTING PERSONAL MOTOR VEHICLES OVERSEAS.

(a) INCENTIVES.—Section 2634 of title 10, United States Code, is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection (h):

''(h)(1) If a member of an armed force authorized the transportation of a motor vehicle under subsection (a) elects not to have the vehicle transported and not (if eligible) to have the vehicle stored under subsection (b), the Secretary concerned may pay the member a share (determined by the Secretary) of the amount of the savings resulting to the United States. The Secretary may make the payment in advance of the member's change of permanent station.

''(2) The Secretary of Defense shall determine annually the rates of savings to the United States that are associated with elections of a member described in paragraph (1).''.

(b) STORAGE AS ALTERNATIVE TO TRANSPORTATION FOR UNACCOMPANIED ASSIGNMENTS.—Subsection (b) of such section—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following new paragraph (3):

''(3) If a member authorized the transportation of a motor vehicle under subsection (a) is not authorized under reassignment orders to be accompanied by dependents on a command-sponsored basis, the member may elect, in lieu of that transportation, to have the motor vehicle stored at a location approved by the Secretary concerned. If storage is elected, the Secretary shall pay the expenses associated with the storage of the vehicle, as authorized under paragraph (4), up to the amount equal to the cost that would have been incurred by the United States for transportation of the vehicle under subsection (a). The member shall be responsible for the payment of the costs of the storage in excess of that amount.''.

Subtitle D—Retirement Benefits

SEC. 641. EXCEPTION TO HIGH-36 MONTH RETIRED PAY COMPUTATION FOR MEMBERS RETIRED FOLLOWING A DISCIPLINARY REDUCTION IN GRADE.

Section 1407 of title 10, United States Code, is amended—

(1) in subsection (b), by striking ''The retired pay base'' and inserting ''Except as provided in subsection (f), the retired pay base''; and

(2) by adding at the end the following new subsection:

''(f) EXCEPTION FOR ENLISTED MEMBERS REDUCED IN GRADE AND OFFICERS WHO DO NOT SERVE SATISFACTORILY IN HIGHEST GRADE HELD.—

''(1) COMPUTATION BASED ON PRE-HIGH-THREE RULES.—In the case of a member or former member described in paragraph (2), the retired pay base or retainer pay base is determined under section 1406 of this title in the same manner as if the member or former member first became a member of a uniformed service before September 8, 1980.

''(2) AFFECTED MEMBERS.—A member or former member referred to in paragraph (1) is a member or former member who by reason of conduct occurring after the date of the enactment of this subsection—

''(A) in the case of a member retired in an enlisted grade or transferred to the Fleet Reserve or Fleet Marine Corps Reserve, was at any time reduced in grade as the result of a court-martial sentence, nonjudicial punishment, or an administrative action, unless the member was subsequently promoted to a higher enlisted grade or appointed to a commissioned or warrant grade; and

''(B) in the case of an officer, is retired in a grade lower than the highest grade in which served by reason of denial of a determination or certification under section 1370 of this title that the officer served on active duty satisfactorily in that grade.

''(3) SPECIAL RULE FOR ENLISTED MEMBERS.—In the case of a member who retires within three years after having been reduced in grade as described in paragraph (2)(A), who retires in an enlisted grade that is lower than the grade from which reduced, and who would be subject to paragraph (2)(A) but for a subsequent promotion to a higher enlisted grade or a subsequent appointment to a warrant or commissioned grade, the rates of basic pay used in the computation of the member's high-36 average for the period of the member's service in a grade higher than the grade in which retired shall be the rates of pay that would apply if the member had been serving for that period in the grade in which retired.''.

SEC. 642. AUTOMATIC PARTICIPATION IN RESERVE COMPONENT SURVIVOR BENEFIT PLAN UNLESS DECLINED WITH SPOUSE'S CONSENT.

(a) INITIAL OPPORTUNITY TO DECLINE.—Paragraph (2)(B) of section 1448(a) of title 10, United States Code, is amended to read as follows:

''(B) RESERVE-COMPONENT ANNUITY PARTICIPANTS.—A person who is—

''(i) eligible to participate in the Plan under paragraph (1)(B); and

''(ii) married or has a dependent child when he is notified under section 12731(d) of this title that he has completed the years of service required for eligibility for reserve-component retired pay, unless the person elects (with his spouse's concurrence, if required under paragraph (3)) not to participate in the Plan before the end of the 90-day period beginning on the date he receives such notification.

A person who elects not to participate in the Plan as described in the foregoing sentence remains eligible, upon reaching 60 years of age and otherwise becoming entitled to retired pay, to participate in the Plan in accordance with eligibility under paragraph (1)(A).''.

(b) SPOUSAL CONSENT REQUIREMENT.—Paragraph (3)(B) of such section is amended—

(1) by striking ''who elects to provide'' and inserting ''who is eligible to provide'';

(2) by redesignating clauses (i) and (ii) as clauses (iii) and (iv), respectively; and

(3) by inserting before clause (iii), as so redesignated, the following:

''(i) not to participate in the Plan;

''(ii) to defer the effective date of annuity payments to the 60th anniversary of the member's birth pursuant to subsection (e)(2);''.

(c) IRREVOCABILITY OF ELECTION NOT TO PARTICIPATE MADE UPON RECEIPT OF 20-YEAR LETTER.—Paragraph (4)(B) of such section is amended by striking ''to participate in the Plan is irrevocable'' and inserting ''not to participate in the Plan is, subject to the sentence following clause (ii) of paragraph (2)(B), irrevocable''.

(d) DESIGNATION OF COMMENCEMENT OF RESERVE-COMPONENT ANNUITY.—(1) Section 1448(e) of title 10, United States Code, is amended by striking ''a person electing to participate'' and all that follows through ''making such election'' and inserting ''a person is required to make a designation under this subsection, the person''.

(2) Section 1450(j)(1) of such title is amended to read as follows:

''(1) PERSON MAKING SECTION 1448(e) DESIGNATION.—A reserve-component annuity shall be effective in accordance with the designation made

under section 1448(e) of this title by the person providing the annuity.''.

(e) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2000.

SEC. 643. PARTICIPATION IN THRIFT SAVINGS PLAN.

(a) EFFECTIVE DATE OF PARTICIPATION AUTHORITY.—Section 663 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 673; 5 U.S.C. 8440 note) is amended to read as follows:

''SEC. 663. EFFECTIVE DATE.

''(a) IN GENERAL.—The amendments made by this subtitle shall take effect 180 days after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2001.

''(b) POSTPONEMENT AUTHORITY.—(1) The Secretary of Defense may postpone the authority of members of the Ready Reserve to participate in the Thrift Savings Plan under section 211 of title 37, United States Code (as amended by this subtitle) up to 360 days after the date referred to in subsection (a) if the Secretary, after consultation with the Executive Director (appointed by the Federal Retirement Thrift Investment Board), determines that permitting such members to participate in the Thrift Savings Plan earlier would place an excessive burden on the administrative capacity of the Board to accommodate participants in the Thrift Savings Plan.

''(2) The Secretary shall notify the congressional defense committees, the Committee on Government Reform of the House of Representatives, and the Committee on Governmental Affairs of the Senate of any determination made under paragraph (1).''.

(b) REGULATIONS.—Section 661(b) of such Act (113 Stat. 672; 5 U.S.C. 8440e) is amended by striking ''the date on which'' and all that follows through ''later,'' and inserting ''the effective date of the amendments made by this subtitle (determined under section 663(a)),''.

SEC. 644. RETIREMENT FROM ACTIVE RESERVE SERVICE AFTER REGULAR RETIREMENT.

(a) CONVERSION TO RESERVE RETIREMENT.—(1) Chapter 1223 of title 10, United States Code, is amended by adding at the end the following:

''§ 12741. Retirement from active reserve service performed after regular retirement

''(a) RESERVE RETIREMENT.—Upon the election of a member or former member of a reserve component under subsection (b), the Secretary concerned shall—

''(1) treat the person as being entitled to retired pay under this chapter;

''(2) terminate the person's entitlement to retired pay that is payable out of the Department of Defense Military Retirement Fund under any other provision of law other than this chapter; and

''(3) in the case of a reserve commissioned officer, transfer the officer to the Retired Reserve.

''(b) ELIGIBILITY AND ELECTION.—A person who, after being retired under chapter 65, 367, 571, or 867 of this title, serves in an active status in a reserve component of the armed forces may elect to receive retired pay under this chapter if—

''(1) the person would, except for paragraph (4) of section 12731(a) of this title, otherwise be entitled to retired pay under this chapter; and

''(2) during that reserve service, the person served satisfactorily as—

''(A) a reserve commissioned officer; or

''(B) a reserve noncommissioned officer.

''(c) TIME AND FORM OF ELECTION.—An election under subsection (b) shall be made within such time and in such form as the Secretary concerned requires.

''(d) EFFECTIVE DATE OF ELECTION.—An election made by a person under subsection (b) shall be effective—

''(1) except as provided in paragraph (2)(B), as of the date on which the person attains 60 years of age, if the election is made in accordance with this section within 180 days after that date; or

''(2) on the first day of the first month that begins after the date on which the election is made in accordance with this section, if—

''(A) the election is made more than 180 days after the date on which the person attains 60 years of age; or

''(B) the person retires from active reserve service within that 180-day period.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

''12741. Retirement from active service performed after regular retirement.''.

(b) EFFECTIVE DATE AND APPLICABILITY.—(1) This section and the amendments made by this section shall take effect 180 days after the date of the enactment of this Act.

(2) No benefits shall accrue under section 12741 of title 10, United States Code (as added by subsection (a)), for any period before the first day of the first month that begins on or after the effective date of this section.

SEC. 645. SAME TREATMENT FOR FEDERAL JUDGES AS FOR OTHER FEDERAL OFFICIALS REGARDING PAYMENT OF MILITARY RETIRED PAY.

(a) REPEAL OF REQUIREMENT FOR SUSPENSION DURING REGULAR ACTIVE SERVICE.—Section 371 of title 28, United States Code, is amended—

(1) by striking subsection (e); and

(2) by redesignating subsection (f) as subsection (e).

(b) CONFORMING AMENDMENTS.—Subsection (b) of such section is amended by striking ''subsection (f)'' each place it appears and inserting ''subsection (e)''.

(c) RETROACTIVE EFFECTIVE DATE.—The amendments made by this section shall take effect as of October 1, 1999.

SEC. 646. POLICY ON INCREASING MINIMUM SURVIVOR BENEFIT PLAN BASIC ANNUITIES FOR SURVIVING SPOUSES AGE 62 OR OLDER.

It is the sense of Congress that there should be enacted during the 106th Congress legislation that increases the minimum basic annuities provided under the Survivor Benefit Plan for surviving spouses of members of the uniformed services who are 62 years of age or older.

SEC. 647. SURVIVOR BENEFIT PLAN ANNUITIES FOR SURVIVORS OF ALL MEMBERS WHO DIE ON ACTIVE DUTY.

(a) ENTITLEMENT.—(1) Subsection (d)(1) of section 1448 of title 10, United States Code, is amended to read as follows:

''(1) SURVIVING SPOUSE ANNUITY.—The Secretary concerned shall pay an annuity under this subchapter to the surviving spouse of—

''(A) a member who dies on active duty after—

''(i) becoming eligible to receive retired pay;

''(ii) qualifying for retired pay except that he has not applied for or been granted that pay; or

''(iii) completing 20 years of active service but before he is eligible to retire as a commissioned officer because he has not completed 10 years of active commissioned service; or

''(B) a member not described in subparagraph (A) who dies on active duty, except in the case of a member whose death, as determined by the Secretary concerned—

''(i) is a direct result of the member's intentional misconduct or willful neglect; or

''(ii) occurs during a period of unauthorized absence.''.

(2) The heading for subsection (d) of such section is amended by striking ''RETIREMENT-ELIGIBLE''.

(b) AMOUNT OF ANNUITY.—Section 1451(c)(1) of such title is amended to read as follows:

''(1) IN GENERAL.—In the case of an annuity provided under section 1448(d) or 1448(f) of this title, the amount of the annuity shall be determined as follows:

''(A) BENEFICIARY UNDER 62 YEARS OF AGE.—If the person receiving the annuity is under 62 years of age or is a dependent child when the member or former member dies, the monthly annuity shall be the amount equal to 55 percent of the retired pay imputed to the member or former member. The retired pay imputed to a member or former member is as follows:

''(i) Except in a case described in clause (ii), the retired pay to which the member or former member would have been entitled if the member or former member had been entitled to that pay based upon his years of active service when he died.

''(ii) In the case of a deceased member referred to in subparagraph (A)(iii) or (B) of section 1448(d)(1) of this title, the retired pay to which the member or former member would have been entitled if the member had been entitled to that pay based upon a retirement under section 1201 of this title (if on active duty for more than 30 days when the member died) or section 1204 of this title (if on active duty for 30 days or less when the member died) for a disability rated as total.

''(B) BENEFICIARY 62 YEARS OF AGE OR OLDER.—

''(i) GENERAL RULE.—If the person receiving the annuity (other than a dependent child) is 62 years of age or older when the member or former member dies, the monthly annuity shall be the amount equal to 35 percent of the retired pay imputed to the member or former member as described in clause (i) or (ii) of the second sentence of subparagraph (A).

''(ii) RULE IF BENEFICIARY ELIGIBLE FOR SOCIAL SECURITY OFFSET COMPUTATION.—If the beneficiary is eligible to have the annuity computed under subsection (e) and if, at the time the beneficiary becomes entitled to the annuity, computation of the annuity under that subsection is more favorable to the beneficiary than computation under clause (i), the annuity shall be computed under that subsection rather than under clause (i).''.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2000, and shall apply with respect to deaths occurring on or after that date.

SEC. 648. FAMILY COVERAGE UNDER SERVICEMEMBERS' GROUP LIFE INSURANCE.

(a) INSURABLE DEPENDENTS.—Section 1965 of title 38, United States Code, is amended by adding at the end the following:

''(10) The term 'insurable dependent', with respect to a member, means the following:

''(A) The member's spouse.

''(B) A child of the member for so long as the child is unmarried and the member is providing over 50 percent of the support of the child.''.

(b) INSURANCE COVERAGE.—(1) Subsection (a) of section 1967 of title 38, United States Code, is amended to read as follows:

''(a)(1) Subject to an election under paragraph (2), any policy of insurance purchased by the Secretary under section 1966 of this title shall automatically insure the following persons against death:

''(A) In the case of any member of a uniformed service on active duty (other than active duty for training)—

''(i) the member; and

''(ii) each insurable dependent of the member.

''(B) Any member of a uniformed service on active duty for training or inactive duty training scheduled in advance by competent authority.

''(C) Any member of the Ready Reserve of a uniformed service who meets the qualifications set forth in section 1965(5)(B) of this title.

''(2)(A) A member may elect in writing not to be insured under this subchapter.

''(B) A member referred to in subparagraph (A) may also make either or both of the following elections in writing:

''(i) An election not to insure a dependent spouse under this subchapter.

''(ii) An election to insure none of the member's children under this subchapter.

''(3)(A) Subject to an election under subparagraph (B), the amount for which a person is insured under this subchapter is as follows:

''(i) In the case of a member, $200,000.

''(ii) In the case of a member's spouse, the amount equal to 50 percent of the amount for which the member is insured under this subchapter.

''(iii) In the case of a member's child, $10,000.

''(B) A member may elect in writing to be insured or to insure an insurable dependent in an amount less than the amount provided under subparagraph (A). The amount of insurance so elected shall, in the case of a member or spouse, be evenly divisible by $10,000 and, in the case of a child, be evenly divisible by $5,000.

''(4) No dependent of a member is insured under this chapter unless the member is insured under this subchapter.

''(5) The insurance shall be effective with respect to a member and the member's dependents on the first day of active duty or active duty for training, or the beginning of a period of inactive duty training scheduled in advance by competent authority, or the first day a member of the Ready Reserve meets the qualifications set forth in section 1965(5)(B) of this title, or the date certified by the Secretary to the Secretary concerned as the date Servicemembers' Group Life Insurance under this subchapter for the class or group concerned takes effect, whichever is the later date.''.

(2) Subsection (c) of such section is amended by striking out the first sentence and inserting the following: ''If a person eligible for insurance under this subchapter is not so insured, or is insured for less than the maximum amount provided for the person under subparagraph (A) of subsection (a)(3), by reason of an election made by a member under subparagraph (B) of that subsection, the person may thereafter be insured under this subchapter in the maximum amount or any lesser amount elected as provided in such subparagraph (B) upon written application by the member, proof of good health of each person to be so insured, and compliance with such other terms and conditions as may be prescribed by the Secretary.''.

(c) TERMINATION OF COVERAGE.—(1) Subsection (a) of section 1968 of such title is amended—

(A) in the matter preceding paragraph (1), by inserting ''and any insurance thereunder on any insurable dependent of such a member,'' after '' any insurance thereunder on any member of the uniformed services,'';

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

(C) by striking the period at the end of paragraph (4) and inserting ''; and''; and

(D) by adding at the end the following:

''(5) with respect to an insurable dependent of the member—

''(A) upon election made in writing by the member to terminate the coverage; or

''(B) on the earlier of—

''(i) the date of the member's death;

''(ii) the date of termination of the insurance on the member's life under this subchapter;

''(iii) the date of the dependent's death; or

''(iv) the termination of the dependent's status as an insurable dependent of the member.

(2) Subsection (b)(1)(A) of such section is amended by inserting ''(to insure against death of the member only)'' after ''converted to Veterans' Group Life Insurance''.

(d) PREMIUMS.—Section 1969 of such title is amended by adding at the end the following:

''(g)(1) During any period in which any insurable dependent of a member is insured under this subchapter, there shall be deducted each month from the member's basic or other pay until separation or release from active duty an amount determined by the Secretary (which shall be the same for all such members) as the premium allocable to the pay period for providing that insurance coverage.

''(2)(A) The Secretary shall determine the premium amounts to be charged for life insurance coverage for dependents of members under this subchapter.

''(B) The premium amounts shall be determined on the basis of sound actuarial principles and shall include an amount necessary to cover the administrative costs to the insurer or insurers providing such insurance.

''(C) Each premium rate for the first policy year shall be continued for subsequent policy years, except that the rate may be adjusted for any such subsequent policy year on the basis of the experience under the policy, as determined by the Secretary in advance of that policy year.

''(h) Any overpayment of a premium for insurance coverage for an insurable dependent of a member that is terminated under section 1968(a)(5) of this title shall be refunded to the member.''.

(e) PAYMENTS OF INSURANCE PROCEEDS.—Section 1970 of such title is amended by adding at the end the following:

''(h) Any amount of insurance in force on an insurable dependent of a member under this subchapter on the date of the dependent's death shall be paid, upon the establishment of a valid claim therefor, to the member or, in the event of the member's death before payment to the member can be made, then to the person or persons entitled to receive payment of the proceeds of insurance on the member's life under this subchapter.''.

(f) EFFECTIVE DATE AND INITIAL IMPLEMENTATION.—(1) This section and the amendments made by this section shall take effect on the first day of the first month that begins more than 120 days after the date of the enactment of this Act, except that paragraph (2) shall take effect on the date of the enactment of this Act.

(2) The Secretary of Veterans Affairs, in consultation with the Secretaries of the military departments, the Secretary of Transportation, the Secretary of Commerce and the Secretary of Health and Human Services, shall take such action as is necessary to ensure that each member of the uniformed services on active duty (other than active duty for training) during the period between the date of the enactment of this Act and the effective date determined under paragraph (1) is furnished an explanation of the insurance benefits available for dependents under the amendments made by this section and is afforded an opportunity before such effective date to make elections that are authorized under those amendments to be made with respect to dependents.

SEC. 649. FEES PAID BY RESIDENTS OF THE ARMED FORCES RETIREMENT HOME.

(a) NAVAL HOME.—Section 1514 of the Armed Forces Retirement Home Act of 1991 (24 U.S.C. 414) is amended by striking subsection (d) and inserting the following:

''(d) NAVAL HOME.—The monthly fee required to be paid by a resident of the Naval Home under subsection (a) shall be as follows:

''(1) For a resident in an independent living status, $500.

''(2) For a resident in an assisted living status, $750.

''(3) For a resident of a skilled nursing facility, $1,250.''.

(b) UNITED STATES SOLDIERS' AND AIRMEN'S HOME.—Subsection (c) of such section is amended—

(1) by striking ''(c) FIXING FEES.—'' and inserting ''(c) UNITED STATES SOLDIERS' AND AIRMEN'S HOME.—'';

(2) in paragraph (1)—

(A) by striking ''the fee required by subsection (a) of this section'' and inserting ''the fee required to be paid by residents of the United States Soldiers' and Airmen's Home under subsection (a)''; and

(B) by striking ''needs of the Retirement Home'' and inserting ''needs of that establishment''; and

(3) in paragraph (2), by striking the second sentence.

(c) SAVINGS PROVISION.—Such section is further amended by adding at the end the following:

''(e) RESIDENTS BEFORE FISCAL YEAR 2001.—A resident of the Retirement Home on September 30, 2000, may not be charged a monthly fee under this section in an amount that exceeds the amount of the monthly fee charged that resident for the month of September 2000.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2000.

SEC. 650. COMPUTATION OF SURVIVOR BENEFITS.

(a) INCREASED BASIC ANNUITY.—(1) Subsection (a)(1)(B)(i) of section 1451 of title 10, United States Code, is amended by striking ''35 percent of the base amount.'' and inserting ''the product of the base amount and the percent applicable for the month. The percent applicable for a month is 35 percent for months beginning on or before the date of the enactment of the National Defense Authorization Act for Fiscal Year 2001, 40 percent for months beginning after such date and before October 2004, and 45 percent for months beginning after September 2004.''.

(2) Subsection (a)(2)(B)(i)(I) of such section is amended by striking ''35 percent'' and inserting ''the percent specified under subsection (a)(1)(B)(i) as being applicable for the month''.

(3) Subsection (c)(1)(B)(i) of such section is amended—

(A) by striking ''35 percent'' and inserting ''the applicable percent''; and

(B) by adding at the end the following: ''The percent applicable for a month under the preceding sentence is the percent specified under subsection (a)(1)(B)(i) as being applicable for the month.''.

(4) The heading for subsection (d)(2)(A) of such section is amended to read as follows: ''COMPUTATION OF ANNUITY.—''.

(b) ADJUSTED SUPPLEMENTAL ANNUITY.—Section 1457(b) of title 10, United States Code, is amended—

(1) by striking ''5, 10, 15, or 20 percent'' and inserting ''the applicable percent''; and

(2) by inserting after the first sentence the following: ''The percent used for the computation shall be an even multiple of 5 percent and, whatever the percent specified in the election, may not exceed 20 percent for months beginning on or before the date of the enactment of the National Defense Authorization Act for Fiscal Year 2001, 15 percent for months beginning after that date and before October 2004, and 10 percent for months beginning after September 2004.''.

(c) RECOMPUTATION OF ANNUITIES.—(1) Effective on the first day of each month referred to in paragraph (2)—

(A) each annuity under section 1450 of title 10, United States Code, that commenced before that month, is computed under a provision of section 1451 of that title amended by subsection (a), and is payable for that month shall be recomputed so as to be equal to the amount that would be in effect if the percent applicable for that month under that provision, as so amended, had been used for the initial computation of the annuity; and

(B) each supplemental survivor annuity under section 1457 of such title that commenced before that month and is payable for that month shall be recomputed so as to be equal to the amount that would be in effect if the percent applicable for that month under that section, as amended by this section, had been used for the initial computation of the supplemental survivor annuity.

(2) The requirements for recomputation of annuities under paragraph (1) apply with respect to the following months:

(A) The first month that begins after the date of the enactment of this Act.

(B) October 2004.

(d) RECOMPUTATION OF RETIRED PAY REDUCTIONS FOR SUPPLEMENTAL SURVIVOR ANNUITIES.—The Secretary of Defense shall take such actions as are necessitated by the amendments made by subsection (b) and the requirements of

subsection (c)(1)(B) to ensure that the reductions in retired pay under section 1460 of title 10, United States Code, are adjusted to achieve the objectives set forth in subsection (b) of that section.

SEC. 651. EQUITABLE APPLICATION OF EARLY RETIREMENT ELIGIBILITY REQUIREMENTS TO MILITARY RESERVE TECHNICIANS.

(a) TECHNICIANS COVERED BY FERS.—Paragraph (1) of section 8414(c) of title 5, United States Code, is amended by striking ''after becoming 50 years of age and completing 25 years of service'' and inserting ''after completing 25 years of service or after becoming 50 years of age and completing 20 years of service''.

(b) TECHNICIANS COVERED BY CSRS.—Section 8336 of title 5, United States Code, is amended by adding at the end the following new subsection:

''(p) Section 8414(c) of this title applies—

''(1) under paragraph (1) of such section to a military reserve technician described in that paragraph for purposes of determining entitlement to an annuity under this subchapter; and

''(2) under paragraph (2) of such section to a military technician (dual status) described in that paragraph for purposes of determining entitlement to an annuity under this subchapter.''.

(c) TECHNICAL AMENDMENT.—Section 1109(a)(2) of Public Law 105–261 (112 Stat. 2143) is amended by striking ''adding at the end'' and inserting ''inserting after subsection (n)''.

(d) APPLICABILITY.—Subsection (c) of section 8414 of such title (as amended by subsection (a)), and subsection (p) of section 8336 of title 5, United States Code (as added by subsection (b)), shall apply according to the provisions thereof with respect to separations from service referred to in such subsections that occur on or after October 5, 1999.

SEC. 652. CONCURRENT PAYMENT TO SURVIVING SPOUSES OF DISABILITY AND INDEMNITY COMPENSATION AND ANNUITIES UNDER SURVIVOR BENEFIT PLAN.

(a) CONCURRENT PAYMENT.—Section 1450 of title 10, United States Code, is amended by striking subsection (c).

(b) CONFORMING AMENDMENTS.—That section is further amended by striking subsections (e) and (k).

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, and shall apply with respect to the payment of annuities under the Survivor Benefit Plan under subchapter II of chapter 73 of title 10, United States Code, for months beginning on or after that date.

(d) RECOMPUTATION OF ANNUITIES.—The Secretary of Defense shall provide for the readjustment of any annuities to which subsection (c) of section 1450 of title 10, United States Code, applies as of the date before the date of the enactment of this Act, as if the adjustment otherwise provided for under such subsection (c) had never been made.

(e) PROHIBITION ON RETROACTIVE BENEFITS.—No benefits shall be paid to any person by virtue of the amendments made by this section for any period before the effective date of the amendments as specified in subsection (c).

Subtitle E—Other Matters

SEC. 661. REIMBURSEMENT OF RECRUITING AND ROTC PERSONNEL FOR PARKING EXPENSES.

(a) IN GENERAL.—Chapter 53 of title 10, United States Code, is amended by inserting after section 1053 the following new section:

''§ 1053a. Reimbursement of recruiting and ROTC personnel: parking expenses

''(a) AUTHORITY.—The Secretary concerned may, under regulations prescribed by the Secretary of Defense, reimburse eligible Department of Defense personnel for expenses incurred for parking a privately owned vehicle at a place of duty.

''(b) ELIGIBILITY.—A member of the armed forces or employee of the Department of Defense is eligible for reimbursement under subsection (a) while—

''(1) assigned to duty as a recruiter for any of the armed forces;

''(2) assigned to duty at a military entrance processing facility of the armed forces; or

''(3) detailed for instructional and administrative duties at any institution where a unit of the Senior Reserve Officers' Training Corps is maintained.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1053 the following:

''1053a. Reimbursement of recruiting and ROTC personnel: parking expenses.''.

SEC. 662. EXTENSION OF DEADLINE FOR FILING CLAIMS ASSOCIATED WITH CAPTURE AND INTERNMENT OF CERTAIN PERSONS BY NORTH VIETNAM.

Section 657(d)(1) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2585) is amended by adding at the end the following: ''The Secretary may extend the time limitation under the preceding sentence for up to 18 months in the case of any claim for which the Secretary determines that the extension is necessary to prevent an injustice or that a failure to file within the time limitation is due to excusable neglect.''.

SEC. 663. SETTLEMENT OF CLAIMS FOR PAYMENTS FOR UNUSED ACCRUED LEAVE AND FOR RETIRED PAY.

(a) CLAIMS FOR PAYMENTS FOR UNUSED ACCRUED LEAVE.—Subsection (a)(1) of section 3702 of title 31, United States Code, is amended by inserting ''payments for unused accrued leave,'' after ''transportation,''.

(b) WAIVER OF TIME LIMITATIONS.—Subsection (e)(1) of such section is amended by striking ''claim for pay or allowances under title 37'' and inserting ''claim for pay, allowances, or payment for unused accrued leave under title 37 or a claim for retired pay under title 10''.

SEC. 664. ELIGIBILITY OF CERTAIN MEMBERS OF THE INDIVIDUAL READY RESERVE FOR SERVICEMEMBERS' GROUP LIFE INSURANCE.

Section 1965(5) of title 38, United States Code, is amended—

(1) by striking ''and'' at the end of subparagraph (B);

(2) by redesignating subparagraph (C) as subparagraph (D); and

(3) by inserting after subparagraph (B) the following new subparagraph (C):

''(C) a person who volunteers for assignment to a category in the Individual Ready Reserve of a uniformed service that is subject to an involuntary call to active duty under section 12304 of title 10; and''.

SEC. 665. AUTHORITY TO PAY GRATUITY TO CERTAIN VETERANS OF BATAAN AND CORREGIDOR.

(a) PAYMENT OF GRATUITY AUTHORIZED.—The Secretary of Veterans Affairs may pay a gratuity to a covered veteran, or to the surviving spouse of a covered veteran, in the amount of $20,000.

(b) COVERED VETERAN DEFINED.—For purposes of subsection (a), the term ''covered veteran'' means any veteran of the Armed Forces who—

(1) served at Bataan or Corregidor in the Philippines during World War II;

(2) was captured and held as a prisoner of war by Japan as a result of such service; and

(3) was required by Japan to perform slave labor in Japan during World War II.

(c) RELATIONSHIP TO OTHER PAYMENTS.—Any amount paid a person under this section for activity described in subsection (b) is in addition to any other amount paid such person for such activity under any other provision of law.

SEC. 666. CONCURRENT PAYMENT OF RETIRED PAY AND COMPENSATION FOR RETIRED MEMBERS WITH SERVICE-CONNECTED DISABILITIES.

(a) CONCURRENT PAYMENT.—Section 5304(a) of title 38, United States Code, is amended by adding at the end the following new paragraph:

''(3) Notwithstanding the provisions of paragraph (1) and section 5305 of this title, compensation under chapter 11 of this title may be paid to a person entitled to receive retired or retirement pay described in such section 5305 concurrently with such person's receipt of such retired or retirement pay.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act, and apply with respect to payments of compensation for months beginning on or after that date.

(c) PROHIBITION ON RETROACTIVE BENEFITS.—No benefits shall be paid to any person by virtue of the amendment made by subsection (a) for any period before the effective date of this Act as specified in subsection (b).

SEC. 667. TRAVEL BY RESERVES ON MILITARY AIRCRAFT TO AND FROM LOCATIONS OUTSIDE THE CONTINENTAL UNITED STATES FOR INACTIVE-DUTY TRAINING.

(a) SPACE-REQUIRED TRAVEL.—Subsection (a) of section 18505 of title 10, United States Code, is amended—

(1) by inserting ''residence or'' after ''In the case of a member of a reserve component whose''; and

(2) by inserting after ''(including a place'' the following: ''of inactive-duty training''.

(b) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

''**§ 18505. Space-required travel: Reserves traveling to inactive-duty training**''.

(2) The item relating to such section in the table of sections at the beginning of such chapter is amended to read as follows:

''18505. Space-required travel: Reserves traveling to inactive-duty training.''.

SEC. 668. ADDITIONAL BENEFITS AND PROTECTIONS FOR PERSONNEL INCURRING INJURY, ILLNESS, OR DISEASE IN THE PERFORMANCE OF FUNERAL HONORS DUTY.

(a) INCAPACITATION PAY.—Section 204 of title 37, United States Code, is amended—

(1) in subsection (g)(1)—

(A) by striking ''or'' at the end of subparagraph (C);

(B) by striking the period at the end of subparagraph (D) and inserting ''; or''; and

(C) by adding at the end the following:

''(E) in line of duty while—

''(i) serving on funeral honors duty under section 12503 of this title or section 115 of title 32;

''(ii) traveling to or from the place at which the duty was to be performed; or

''(iii) remaining overnight at or in the vicinity of that place immediately before so serving, if the place is outside reasonable commuting distance from the member's residence.''; and

(2) in subsection (h)(1)—

(A) by striking ''or'' at the end of subparagraph (C);

(B) by striking the period at the end of subparagraph (D) and inserting ''; or''; and

(C) by adding at the end the following:

''(E) in line of duty while—

''(i) serving on funeral honors duty under section 12503 of this title or section 115 of title 32;

''(ii) traveling to or from the place at which the duty was to be performed; or

''(iii) remaining overnight at or in the vicinity of that place immediately before so serving, if the place is outside reasonable commuting distance from the member's residence.''.

(b) TORT CLAIMS.—Section 2671 of title 28, United States Code, is amended by inserting ''115,'' in the second paragraph after ''members of the National Guard while engaged in training or duty under section''.

(c) APPLICABILITY.—(1) The amendments made by subsection (a) shall apply with respect to months beginning on or after the date of the enactment of this Act.

(2) The amendment made by subsection (b) shall apply with respect to acts and omissions occurring before, on, or after the date of the enactment of this Act.

SEC. 669. DETERMINATIONS OF INCOME ELIGIBILITY FOR SPECIAL SUPPLEMENTAL FOOD PROGRAM.

Section 1060a(c)(1)(B) of title 10, United States Code, is amended by striking the second sentence and inserting the following: ''In the application of such criterion, the Secretary shall exclude from income any basic allowance for housing as permitted under section 17(d)(2)(B) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)(B)).''.

SEC. 670. MODIFICATION OF TIME FOR USE BY CERTAIN MEMBERS OF THE SELECTED RESERVE OF ENTITLEMENT TO EDUCATIONAL ASSISTANCE.

(a) IN GENERAL.—Subsection (a) of section 16133 of title 10, United States Code, is amended by striking ''(1) at the end'' and all that follows through the end and inserting ''on the date the person is separated from the Selected Reserve.''.

(b) CERTAIN MEMBERS.—Paragraph (1) of subsection (b) of that section is amended in the flush matter following subparagraph (B) by striking ''shall be determined'' and all that follows through the end and inserting ''shall expire on the later of (i) the 10-year period beginning on the date on which such person becomes entitled to educational assistance under this chapter, or (ii) the end of the 4-year period beginning on the date such person is separated from, or ceases to be, a member of the Selected Reserve.''.

(c) CONFORMING AMENDMENTS.—Subsection (b) of that section is further amended—

(1) in paragraph (2), by striking ''subsection (a)'' and inserting ''subsections (a) and (b)(1)'';

(2) in paragraph (3), by striking ''subsection (a)'' and inserting ''subsection (b)(1)''; and

(3) in paragraph (4)—

(A) in subparagraph (A), by striking ''subsection (a)'' and inserting ''subsections (a) and (b)(1)''; and

(B) in subparagraph (B), by striking ''clause (2) of such subsection'' and inserting ''subsection (a)''.

SEC. 671. RECOGNITION OF MEMBERS OF THE ALASKA TERRITORIAL GUARD AS VETERANS.

(a) IN GENERAL.—Section 106 of title 38, United States Code, is amended by adding at the end the following new subsection:

''(f) Service as a member of the Alaska Territorial Guard during World War II of any individual who was honorably discharged therefrom under section 656(b) of the National Defense Authorization Act for Fiscal Year 2001 shall be considered active duty for purposes of all laws administered by the Secretary.''.

(b) DISCHARGE.—(1) The Secretary of Defense shall issue to each individual who served as a member of the Alaska Territorial Guard during World War II a discharge from such service under honorable conditions if the Secretary determines that the nature and duration of the service of the individual so warrants.

(2) A discharge under paragraph (1) shall designate the date of discharge. The date of discharge shall be the date, as determined by the Secretary, of the termination of service of the individual concerned as described in that paragraph.

(c) PROHIBITION ON RETROACTIVE BENEFITS.—No benefits shall be paid to any individual for any period before the date of the enactment of this Act by reason of the enactment of this section.

SEC. 672. CLARIFICATION OF DEPARTMENT OF VETERANS AFFAIRS DUTY TO ASSIST.

(a) IN GENERAL.—Section 5107 of title 38, United States Code, is amended to read as follows:

''§ 5107 Assistance to claimants; benefit of the doubt; burden of proof

''(a) The Secretary shall assist a claimant in developing all facts pertinent to a claim for benefits under this title. Such assistance shall include requesting information as described in section 5106 of this title. The Secretary shall provide a medical examination when such examination may substantiate entitlement to the benefits sought. The Secretary may decide a claim without providing assistance under this subsection when no reasonable possibility exists that such assistance will aid in the establishment of entitlement.

''(b) The Secretary shall consider all evidence and material of record in a case before the Department with respect to benefits under laws administered by the Secretary and shall give the claimant the benefit of the doubt when there is an approximate balance of positive and negative evidence regarding any issue material to the determination of the matter.

''(c) Except when otherwise provided by this title or by the Secretary in accordance with the provisions of this title, a person who submits a claim for benefits under a law administered by the Secretary shall have the burden of proof.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 51 of that title is amended by striking the item relating to section 5017 and inserting the following new item:

''5107 Assistance to claimants; benefit of the doubt; burden of proof.''.

SEC. 673. BACK PAY FOR MEMBERS OF THE NAVY AND MARINE CORPS APPROVED FOR PROMOTION WHILE INTERNED AS PRISONERS OF WAR DURING WORLD WAR II.

(a) ENTITLEMENT OF FORMER PRISONERS OF WAR.—Upon receipt of a claim made in accordance with this section, the Secretary of the Navy shall pay back pay to a claimant who, by reason of being interned as a prisoner of war while serving as a member of the Navy or the Marine Corps during World War II, was not available to accept a promotion for which the claimant was approved.

(b) PROPER CLAIMANT FOR DECEASED FORMER MEMBER.—In the case of a person described in subsection (a) who is deceased, the back pay for that deceased person under this section shall be paid to a member or members of the family of the deceased person determined appropriate in the same manner as is provided in section 6(c) of the War Claims Act of 1948 (50 U.S.C. App. 2005(c)).

(c) AMOUNT OF BACK PAY.—The amount of back pay payable to or for a person described in subsection (a) is the amount equal to the excess of—

(1) the total amount of basic pay that would have been paid to that person for service in the Navy or the Marine Corps if the person had been promoted on the date on which the promotion was approved, over

(2) the total amount of basic pay that was paid to or for that person for such service on and after that date.

(d) TIME LIMITATIONS.—(1) To be eligible for a payment under this section, a claimant must file a claim for such payment with the Secretary of Defense within two years after the effective date of the regulations implementing this section.

(2) Not later than 18 months after receiving a claim for payment under this section, the Secretary shall determine the eligibility of the claimant for payment of the claim. Subject to subsection (f), if the Secretary determines that the claimant is eligible for the payment, the Secretary shall promptly pay the claim.

(e) REGULATIONS.—The Secretary of Defense shall prescribe regulations to carry out this section. Such regulations shall include procedures by which persons may submit claims for payment under this section. Such regulations shall be prescribed not later than six months after the date of the enactment of this Act.

(f) LIMITATION ON DISBURSEMENT.—(1) Notwithstanding any power of attorney, assignment of interest, contract, or other agreement, the actual disbursement of a payment under this section may be made only to each person who is eligible for the payment under subsection (a) or (b) and only—

(A) upon the appearance of that person, in person, at any designated disbursement office in the United States or its territories; or

(B) at such other location or in such other manner as that person may request in writing.

(2) In the case of a claim approved for payment but not disbursed as a result of operation of paragraph (1), the Secretary of Defense shall hold the funds in trust for the person in an interest bearing account until such time as the person makes an election under such paragraph.

(g) ATTORNEY FEES.—Notwithstanding any contract, the representative of a person may not receive, for services rendered in connection with the claim of, or with respect to, a person under this section, more than 10 percent of the amount of a payment made under this section on that claim.

(h) OUTREACH.—The Secretary of the Navy shall take such actions as are necessary to ensure that the benefits and eligibility for benefits under this section are widely publicized by means designed to provide actual notice of the availability of the benefits in a timely manner to the maximum number of eligible persons practicable.

(i) DEFINITION.—In this section, the term ''World War II'' has the meaning given the term in section 101(8) of title 38, United States Code.

Subtitle F—Education Benefits

SEC. 681. SHORT TITLE.

This subtitle may be cited as the ''Helping Our Professionals Educationally (HOPE) Act of 2000''.

SEC. 682. TRANSFER OF ENTITLEMENT TO EDUCATIONAL ASSISTANCE BY CERTAIN MEMBERS OF THE ARMED FORCES.

(a) AUTHORITY TO TRANSFER TO FAMILY MEMBERS.—(1) Subchapter II of chapter 30 of title 38, United States Code, is amended by adding at the end the following new section:

''§ 3020. Transfer of entitlement to basic educational assistance: members of the Armed Forces

''(a)(1) Subject to the provisions of this section, the Secretary of each military department may, for the purpose of enhancing recruiting and retention and at such Secretary's sole discretion, permit an individual described in paragraph (2) who is entitled to basic educational assistance under this subchapter to elect to transfer such individual's entitlement to such assistance, in whole or in part, to the dependents specified in subsection (b).

''(2) An individual referred to in paragraph (1) is any individual who is a member of the Armed Forces at the time of the approval by the Secretary of the military department concerned of the individual's request to transfer entitlement to educational assistance under this section.

''(3) The Secretary of the military department concerned may not approve an individual's request to transfer entitlement to educational assistance under this section until the individual has completed six years of service in the Armed Forces.

''(4) Subject to the time limitation for use of entitlement under section 3031 of this title, an individual approved to transfer entitlement to educational assistance under this section may transfer such entitlement at any time after the approval of individual's request to transfer such entitlement without regard to whether the individual is a member of the Armed Forces when the transfer is executed.

''(b) An individual approved to transfer an entitlement to basic educational assistance under this section may transfer the individual's entitlement to such assistance as follows:

''(1) To the individual's spouse.

''(2) To one or more of the individual's children.

''(3) To a combination of the individuals referred to in paragraphs (1) and (2).

''(c)(1) An individual transferring an entitlement to basic educational assistance under this section shall—

''(A) designate the dependent or dependents to whom such entitlement is being transferred and the percentage of such entitlement to be transferred to each such dependent; and

''(B) specify the period for which the transfer shall be effective for each dependent designated under subparagraph (A).

''(2) The aggregate amount of the entitlement transferable by an individual under this section may not exceed the aggregate amount of the entitlement of such individual to basic educational assistance under this subchapter.

''(3) An individual transferring an entitlement under this section may modify or revoke the transfer at any time before the use of the transferred entitlement begins. An individual shall make the modification or revocation by submitting written notice of the action to the Secretary of the military department concerned.

''(d)(1) A dependent to whom entitlement to educational assistance is transferred under this section may not commence the use of the transferred entitlement until the completion by the individual making the transfer of 10 years of service in the Armed Forces.

''(2) The use of any entitlement transferred under this section shall be charged against the entitlement of the individual making the transfer at the rate of one month for each month of transferred entitlement that is used.

''(3) Except as provided in under subsection (c)(1)(B) and subject to paragraphs (4) and (5), a dependent to whom entitlement is transferred under this section is entitled to basic educational assistance under this subchapter in the same manner and at the same rate as the individual from whom the entitlement was transferred.

''(4) Notwithstanding section 3031 of this title, a child to whom entitlement is transferred under this section may not use any entitlement so transferred after attaining the age of 26 years.

''(5) The administrative provisions of this chapter (including the provisions set forth in section 3034(a)(1) of this title) shall apply to the use of entitlement transferred under this section, except that the dependent to whom the entitlement is transferred shall be treated as the eligible veteran for purposes of such provisions.

''(e) In the event of an overpayment of basic educational assistance with respect to a dependent to whom entitlement is transferred under this section, the dependent and the individual making the transfer shall be jointly and severally liable to the United States for the amount of the overpayment for purposes of section 3685 of this title.

''(f) The Secretary of a military department may approve transfers of entitlement to educational assistance under this section in a fiscal year only to the extent that appropriations for military personnel are available in the fiscal year for purposes of making transfers of funds under section 2006 of title 10 with respect to such transfers of entitlement.

''(g) The Secretary of Defense shall prescribe regulations for purposes of this section. Such regulations shall specify the manner and effect of an election to modify or revoke a transfer of entitlement under subsection (c)(3) and shall specify the manner of the applicability of the administrative provisions referred to in subsection (d)(5) to a dependent to whom entitlement is transferred under this section.

''(h)(1) Not later than January 31, 2002, and each year thereafter, each Secretary of a military department shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the transfers of entitlement under this section that were approved by such Secretary during the preceding year.

''(2) Each report shall set forth—

''(A) the number of transfers of entitlement under this section that were approved by such Secretary during the preceding year; or

''(B) if no transfers of entitlement under this section were approved by such Secretary during that year, a justification for such Secretary's decision not to approve any such transfers of entitlement during that year.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3019 the following new item:

''3020. Transfer of entitlement to basic educational assistance: members of the Armed Forces.''.

(b) TREATMENT UNDER DEPARTMENT OF DEFENSE EDUCATION BENEFITS FUND.—Section 2006(b)(2) of title 10, United States Code, is amended by adding at the end the following:

''(D) The present value of the future benefits payable from the Fund as a result of transfers under section 3020 of title 38 of entitlement to basic educational assistance under chapter 30 of title 38.''

(c) PLAN FOR IMPLEMENTATION.—Not later than June 30, 2001, the Secretary of Defense shall submit to Congress a report describing the manner in which the Secretaries of the military departments propose to exercise the authority granted by section 3020 of title 38, United States Code, as added by subsection (a).

SEC. 683. PARTICIPATION OF ADDITIONAL MEMBERS OF THE ARMED FORCES IN MONTGOMERY GI BILL PROGRAM.

(a) PARTICIPATION AUTHORIZED.—(1) Subchapter II of chapter 30 of title 38, United States Code, as amended by section 682(a) of this Act, is further amended by inserting after section 3018C the following new section:

''§3018D. Opportunity to enroll: certain VEAP participants; active duty personnel not previously enrolled

''(a)(1) Notwithstanding any other provision of law and subject to the provisions of this section, the Secretary concerned may, for the purpose of enhancing recruiting and retention and at such Secretary's sole discretion, permit an individual described in subsection (b) to elect under subsection (c) to become entitled to basic educational assistance under this chapter.

''(2) The Secretary concerned may permit an individual to elect to become entitled to basic educational assistance under this section only if sufficient funds are available in accordance with this section for purposes of payments by the Secretary of Defense into the Department of Defense Education Benefits Fund under section 2006 of title 10 with respect to such election.

''(3) An individual who makes an election to become entitled to basic educational assistance under this section shall be entitled to basic educational assistance under this chapter.

''(b) An individual eligible to be permitted to make an election under this section is an individual who—

''(1) either—

''(A)(i) is a participant on the date of the enactment of this section in the educational benefits program provided by chapter 32 of this title; or

''(ii) disenrolled from participation in that program before that date; or

''(B) has made an election under section 3011(c)(1) or 3012(d)(1) of this title not to receive educational assistance under this chapter and has not withdrawn that election under section 3018(a) of this title as of that date;

''(2) is serving on active duty (excluding periods referred to in section 3202(1)(C) of this title in the case of an individual described in paragraph (1)(A)) on that date; and

''(3) before applying for benefits under this section, has completed the requirements of a secondary school diploma (or equivalency certificate) or has successfully completed the equivalent of 12 semester hours in a program of education leading to a standard college degree.

''(c) An individual permitted to make an election under this section to become entitled to basic educational assistance under this chapter shall make an irrevocable election to receive benefits under this section in lieu of benefits under chapter 32 of this title or withdraw the election made under section 3011(c)(1) or 3012(d)(1) of this title, as the case may be, pursuant to procedures which the Secretary of each military department shall provide in accordance with regulations prescribed by the Secretary of Defense for the purpose of carrying out this section or which the Secretary of Transportation shall provide for such purpose with respect to the Coast Guard when it is not operating as a service in the Navy.

''(d)(1) Except as provided in paragraphs (2) and (3), in the case of an individual who makes an election under this section to become entitled to basic educational assistance under this chapter, the basic pay of the individual shall be reduced (in a manner determined by the Secretary of Defense) until the total amount by which such basic pay is reduced is—

''(A) $1,200, in the case of an individual described in subsection (b)(1)(A); or

''(B) $1,500, in the case of an individual described in subsection (b)(1)(B).

''(2) In the case of an individual previously enrolled in the educational benefits program provided by chapter 32 of this title, the total amount of the reduction in basic pay otherwise required by paragraph (1) shall be reduced by an amount equal to so much of the unused contributions made by the individual to the Post-Vietnam Era Veterans Education Account under section 3222(a) of this title as do not exceed $1,200.

''(3) An individual may at any time pay the Secretary concerned an amount equal to the difference between the total of the reductions otherwise required with respect to the individual under this subsection and the total amount of the reductions made with respect to the individual under this subsection as of the time of the payment.

''(4) The Secretary concerned shall transfer to the Secretary of Defense amounts retained with respect to individuals under paragraph (1) and amounts, if any, paid by individuals under paragraph (3).

''(e)(1) An individual who is enrolled in the educational benefits program provided by chapter 32 of this title and who makes the election described in subsection (c) shall be disenrolled from the program as of the date of such election.

''(2) For each individual who is disenrolled from such program, the Secretary shall transfer to Secretary of Defense any amounts in the Post-Vietnam Era Veterans Education Account that are attributable to the individual, including amounts in the Account that are attributable to the individual by reason of contributions made by the Secretary of Defense under section 3222(c) of this title.

''(f) With respect to each individual electing under this section to become entitled to basic educational assistance under this chapter, the Secretary concerned shall transfer to the Secretary of Defense, from appropriations for military personnel that are available for transfer, an amount equal to the difference between—

''(1) the amount required to be paid by the Secretary of Defense into the Department of Defense Education Benefits Fund with respect to such election; and

''(2) the aggregate amount transferred to the Secretary of Defense with respect to the individual under subsections (d) and (e).

''(g) The Secretary of Defense shall utilize amounts transferred to such Secretary under this section for purposes of payments into the Department of Defense Education Benefits Fund with respect to the provision of benefits under this chapter for individuals making elections under this section.

''(h)(1) The requirements of sections 3011(a)(3) and 3012(a)(3) of this title shall apply to an individual who makes an election under this section, except that the completion of service referred to in such section shall be the completion of the period of active duty being served by the individual on the date of the enactment of this section.

''(2) The procedures provided in regulations referred to in subsection (c) shall provide for notice of the requirements of subparagraphs (B), (C), and (D) of section 3011(a)(3) of this title and of subparagraphs (B), (C), and (D) of section 3012(a)(3) of this title. Receipt of such notice shall be acknowledged in writing.

''(i)(1) Not later than January 31, 2002, and each year thereafter, each Secretary concerned shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the members of the Armed Forces under the jurisdiction of such Secretary who were permitted to elect to become entitled to basic educational assistance under this section during the preceding year.

''(2) Each report shall set forth—

''(A) the number of members who were permitted to elect to become entitled to basic educational assistance under this section during the preceding year;

''(B) the number of members so permitted who elected to become entitled to basic educational assistance during that year; and

''(C) if no members were so permitted during that year, a justification for such Secretary's decision not to permit any members to elect to become so entitled during that year.''.

(2) The table of sections at the beginning of chapter 30 of that title, as amended by section 682(a) of this Act, is further amended by inserting after the item relating to section 3018C the following new item:

''3018D. Opportunity to enroll: certain VEAP participants; active duty personnel not previously enrolled.''.

(b) CONFORMING AMENDMENT.—Section 3015(f) of that title is amended by striking ''or 3018C'' and inserting ''3018C, or 3018D''.

(c) TREATMENT UNDER DEPARTMENT OF DEFENSE EDUCATION BENEFITS FUND.—Section 2006(b)(2) of title 10, United States Code, as amended by section 682(b) of this Act, is further amended by adding at the end the following:

''(E) The present value of the future benefits payable from the Fund as a result of elections under section 3018D of title 38 of entitlement to basic educational assistance under chapter 30 of title 38.''.

(d) PLANS FOR IMPLEMENTATION.—(1) Not later than June 30, 2001, the Secretary of Defense shall submit to Congress a report describing the manner in which the Secretaries of the military departments propose to exercise the authority granted by section 3018A of title 38, United States Code, as added by subsection (a).

(2) Not later than June 30, 2001, the Secretary of Transportation shall submit to Congress a report describing the manner in which that Secretary proposes to exercise the authority granted by such section 3018A with respect to members of the Coast Guard.

SEC. 684. MODIFICATION OF AUTHORITY TO PAY TUITION FOR OFF-DUTY TRAINING AND EDUCATION.

(a) AUTHORITY TO PAY ALL CHARGES.—Section 2007 of title 10, United States Code, is amended—

(1) by striking subsections (a) and (b) and inserting the following new subsections:

''(a) Subject to subsection (b), the Secretary of a military department may pay all or a portion of the charges of an educational institution for the tuition or expenses of a member of the armed forces enrolled in such educational institution for education or training during the member's off-duty periods.

''(b) In the case of a commissioned officer on active duty, the Secretary of the military department concerned may not pay charges under subsection (a) unless the officer agrees to remain on active duty for a period of at least two years after the completion of the training or education for which the charges are paid.''; and

(2) in subsection (d)—

(A) by striking ''(within the limits set forth in subsection (a))'' in the matter preceding paragraph (1); and

(B) in paragraph (3), by striking ''subsection (a)(3)'' and inserting ''subsection (b)''.

(b) USE OF ENTITLEMENT TO ASSISTANCE UNDER MONTGOMERY GI BILL FOR PAYMENT OF CHARGES.—(1) That section is further amended by adding at the end the following new subsection:

''(e)(1) A member of the armed forces who is entitled to basic educational assistance under chapter 30 of title 38 may use such entitlement for purposes of paying any portion of the charges described in subsection (a) or (c) that are not paid for by the Secretary of the military department concerned under such subsection.

''(2) The use of entitlement under paragraph (1) shall be governed by the provisions of section 3014(b) of title 38.''.

(2) Section 3014 of title 38, United States Code, is amended—

(A) by inserting ''(a)'' before ''The Secretary''; and

(B) by adding at the end the following new subsection:

''(b)(1) In the case of an individual entitled to basic educational assistance who is pursuing education or training described in subsection (a) or (c) of section 2007 of title 10, the Secretary shall, at the election of the individual, pay the individual a basic educational assistance allowance to meet all or a portion of the charges of the educational institution for the education or training that are not paid by the Secretary of the military department concerned under such subsection.

''(2)(A) The amount of the basic educational assistance allowance payable to an individual under this subsection for a month shall be the amount of the basic educational assistance allowance to which the individual would be entitled for the month under section 3015 of this title (without regard to subsection (g) of that section) were payment made under that section instead of under this subsection.

''(B) The maximum number of months for which an individual may be paid a basic educational assistance allowance under paragraph (1) is 36.''.

(3) Section 3015 of title 38, United States Code, is amended—

(A) by striking ''subsection (g)'' each place it appears in subsections (a) and (b);

(B) by redesignating subsection (g) as subsection (h); and

(C) by inserting after subsection (f) the following new subsection (g):

''(g) In the case of an individual who has been paid a basic educational assistance allowance under section 3014(b) of this title, the rate of the basic educational assistance allowance applicable to the individual under this section shall be the rate otherwise applicable to the individual under this section reduced by an amount equal to—

''(1) the aggregate amount of such allowances paid the individual under such section 3014(b); divided by

''(2) 36.''.

SEC. 685. MODIFICATION OF TIME FOR USE BY CERTAIN MEMBERS OF SELECTED RESERVE OF ENTITLEMENT TO CERTAIN EDUCATIONAL ASSISTANCE.

Section 16133(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(5)(A) In the case of a person who continues to serve as member of the Selected Reserve as of the end of the 10-year period applicable to the person under subsection (a), as extended, if at all, under paragraph (4), the period during which the person may use the person's entitlement shall expire at the end of the 5-year period beginning on the date the person is separated from the Selected Reserve.

''(B) The provisions of paragraph (4) shall apply with respect to any period of active duty of a person referred to in subparagraph (A) during the 5-year period referred to in that subparagraph.''.

Subtitle G—Additional Benefits For Reserves and Their Dependents

SEC. 691. SENSE OF CONGRESS.

It is the sense of Congress that it is in the national interest for the President to provide the funds for the reserve components of the Armed Forces (including the National Guard and Reserves) that are sufficient to ensure that the reserve components meet the requirements specified for the reserve components in the National Military Strategy, including training requirements.

SEC. 692. TRAVEL BY RESERVES ON MILITARY AIRCRAFT.

(a) SPACE-REQUIRED TRAVEL FOR TRAVEL TO DUTY STATIONS INCONUS AND OCONUS.—(1) Subsection (a) of section 18505 of title 10, United States Code, is amended to read as follows:

''(a) A member of a reserve component traveling to a place of annual training duty or inactive-duty training (including a place other than the member's unit training assembly if the member is performing annual training duty or inactive-duty training in another location) may travel in a space-required status on aircraft of the armed forces between the member's home and the place of such duty or training.''.

(2) The heading of such section is amended to read as follows:

''§ 18505. Reserves traveling to annual training duty or inactive-duty training: authority for space-required travel''.

(b) SPACE-AVAILABLE TRAVEL FOR MEMBERS OF SELECTED RESERVE AND DEPENDENTS.—Chapter 1805 of such title is amended by adding at the end the following new section:

''§ 18506. Space-available travel: Selected Reserve members and dependents

''(a) ELIGIBILITY FOR SPACE-AVAILABLE TRAVEL.—The Secretary of Defense shall prescribe regulations to allow persons described in subsection (b) to receive transportation on aircraft of the Department of Defense on a space-available basis under the same terms and conditions (including terms and conditions applicable to travel outside the United States) as apply to members of the armed forces entitled to retired pay.

''(b) PERSONS ELIGIBLE.—Subsection (a) applies to a person who is a member of the Selected Reserve in good standing (as determined by the Secretary concerned) or who is a participating member of the Individual Ready Reserve of the Navy or Coast Guard in good standing (as determined by the Secretary concerned).

''(c) DEPENDENTS.—A dependent of a person described in subsection (b) shall be provided transportation under this section on the same basis as dependents of members of the armed forces entitled to retired pay.

''(d) LIMITATION ON REQUIRED IDENTIFICATION.—Neither the 'Authentication of Reserve Status for Travel Eligibility' form (DD Form 1853), nor or any other form, other than the presentation of military identification and duty orders upon request, or other methods of identification required of active duty personnel, shall be required of reserve component personnel using space-available transportation within or outside the continental United States under this section.''.

(c) CLERICAL AMENDMENTS.—The table of sections at the beginning of such chapter is amended by striking the item relating to section 18505 and inserting the following new items:

''18505. Reserves traveling to annual training duty or inactive-duty training: authority for space-required travel.

''18506. Space-available travel: Selected Reserve members and dependents.''.

(d) IMPLEMENTING REGULATIONS.—Regulations under section 18506 of title 10, United States Code, as added by subsection (b), shall be prescribed not later than 180 days after the date of the enactment of this Act.

SEC. 693. BILLETING SERVICES FOR RESERVE MEMBERS TRAVELING FOR INACTIVE DUTY TRAINING.

(a) IN GENERAL.—(1) Chapter 1217 of title 10, United States Code, is amended by inserting after section 12603 the following new section:

''§ 12604. Billeting in Department of Defense facilities: Reserves attending inactive-duty training

''(a) AUTHORITY FOR BILLETING ON SAME BASIS AS ACTIVE DUTY MEMBERS TRAVELING UNDER ORDERS.—The Secretary of Defense shall prescribe regulations authorizing a Reserve traveling to inactive-duty training at a location more than 50 miles from that Reserve's residence to be eligible for billeting in Department of Defense facilities on the same basis and to the same extent as a member of the armed forces on active duty who is traveling under orders away from the member's permanent duty station.

''(b) PROOF OF REASON FOR TRAVEL.—The Secretary shall include in the regulations the means for confirming a Reserve's eligibility for billeting under subsection (a).''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 12603 the following new item:

''12604. Billeting in Department of Defense facilities: Reserves attending inactive-duty training.

(b) EFFECTIVE DATE.—Section 12604 of title 10, United States Code, as added by subsection (a), shall apply with respect to periods of inactive-duty training beginning more than 180 days after the date of the enactment of this Act.

SEC. 694. INCREASE IN MAXIMUM NUMBER OF RESERVE RETIREMENT POINTS THAT MAY BE CREDITED IN ANY YEAR.

Section 12733(3) of title 10, United States Code, is amended by striking ''but not more than'' and all that follows and inserting ''but not more than—

''(A) 60 days in any one year of service before the year of service that includes September 23, 1996;

''(B) 75 days in the year of service that includes September 23, 1996, and in any subsequent year of service before the year of service that includes the date of the enactment of the National Defense Authorization Act for Fiscal Year 2001; and

''(C) 90 days in the year of service that includes the date of the enactment of the National Defense Authorization Act for Fiscal Year 2001 and in any subsequent year of service.''.

SEC. 695. AUTHORITY FOR PROVISION OF LEGAL SERVICES TO RESERVE COMPONENT MEMBERS FOLLOWING RELEASE FROM ACTIVE DUTY.

(a) LEGAL SERVICES.—Section 1044(a) of title 10, United States Code, is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph (4):

''(4) Members of reserve components of the armed forces not covered by paragraph (1) or (2) following release from active duty under a call or order to active duty for more than 30 days issued under a mobilization authority (as determined by the Secretary of Defense), but only during the period that begins on the date of the release and is equal to at least twice the length of the period served on active duty under such call or order to active duty.''.

(b) DEPENDENTS.—Paragraph (5) of such section, as redesignated by subsection (a)(1), is amended by striking ''and (3)'' and inserting ''(3), and (4)''.

(c) IMPLEMENTING REGULATIONS.—Regulations to implement the amendments made by this section shall be prescribed not later than 180 days after the date of the enactment of this Act.

TITLE VII—HEALTH CARE

Subtitle A—Senior Health Care

SEC. 701. CONDITIONS FOR ELIGIBILITY FOR CHAMPUS UPON THE ATTAINMENT OF 65 YEARS OF AGE.

(a) ELIGIBILITY OF MEDICARE ELIGIBLE PERSONS.—Section 1086(d) of title 10, United States Code, is amended—

(1) by striking paragraph (2) and inserting the following:

''(2) The prohibition contained in paragraph (1) shall not apply to a person referred to in subsection (c) who—

''(A) is enrolled in the supplementary medical insurance program under part B of such title (42 U.S.C. 1395j et seq.); and

''(B) in the case of a person under 65 years of age, is entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act pursuant to subparagraph (A) or (C) of section 226(b)(2) of such Act (42 U.S.C. 426(b)(2)) or section 226A(a) of such Act (42 U.S.C. 426–1(a)).''; and

(2) in paragraph (4), by striking ''paragraph (1) who satisfy only the criteria specified in subparagraphs (A) and (B) of paragraph (2), but not subparagraph (C) of such paragraph,'' and inserting ''subparagraph (B) of paragraph (2) who do not satisfy the condition specified in subparagraph (A) of such paragraph''.

(b) EXTENSION OF TRICARE SENIOR PRIME DEMONSTRATION PROGRAM.—Paragraph (4) of section 1896(b) of the Social Security Act (42 U.S.C. 1395ggg(b)) is amended by striking ''3-year period beginning on January 1, 1998'' and inserting ''period beginning on January 1, 1998, and ending on December 31, 2001''.

(c) EFFECTIVE DATES.—(1) The amendments made by subsection (a) shall take effect on October 1, 2001.

(2) The amendment made by subsection (b) shall take effect on the date of the enactment of this Act.

(d) ADJUSTMENT FOR BUDGET-RELATED RESTRICTIONS.—Effective on October 1, 2003, section 1086(d)(2) of title 10, United States Code, as amended by subsection (a), is further amended by striking ''in the case of a person under 65 years of age,'' and inserting ''is under 65 years of age and''.

Subtitle B—TRICARE Program

SEC. 711. ADDITIONAL BENEFICIARIES UNDER TRICARE PRIME REMOTE PROGRAM IN CONUS.

(a) COVERAGE OF OTHER UNIFORMED SERVICES.—(1) Section 1074(c) of title 10, United States Code, is amended—

(A) by striking ''armed forces'' each place it appears, except in paragraph (3)(A), and inserting ''uniformed services'';

(B) in paragraph (1), by inserting after ''military department'' in the first sentence the following: '', the Department of Transportation (with respect to the Coast Guard when it is not operating as a service in the Navy), or the Department of Health and Human Services (with respect to the National Oceanic and Atmospheric Administration and the Public Health Service)'';

(C) in paragraph (2), by adding at the end the following:

''(C) The Secretary of Defense shall consult with the other administering Secretaries in the administration of this paragraph.''; and

(D) in paragraph (3)(A), by striking ''The Secretary of Defense may not require a member of the armed forces described in subparagraph (B)'' and inserting ''A member of the uniformed services described in subparagraph (B) may not be required''.

(2)(A) Subsections (b), (c), and (d)(3) of section 731 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1811; 10 U.S.C. 1074 note) are amended by striking ''Armed Forces'' and inserting ''uniformed services''.

(B) Subsection (b) of such section is further amended by adding at the end the following:

''(4) The Secretary of Defense shall consult with the other administering Secretaries in the administration of this subsection.''.

(C) Subsection (f) of such section is amended by adding at the end the following:

''(3) The terms 'uniformed services' and 'administering Secretaries' have the meanings given those terms in section 1072 of title 10, United States Code.''.

(3) Section 706(b) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 684) is amended by striking ''Armed Forces'' and inserting ''uniformed services (as defined in section 1072(1) of title 10, United States Code)''.

(b) COVERAGE OF IMMEDIATE FAMILY.—(1) Section 1079 of title 10, United States Code, is amended by adding at the end the following:

''(p)(1) Subject to such exceptions as the Secretary of Defense considers necessary, coverage for medical care under this section for the dependents referred to in subsection (a) of a member of the uniformed services referred to in section 1074(c)(3) of this title who are residing with the member, and standards with respect to timely access to such care, shall be comparable to coverage for medical care and standards for timely access to such care under the managed care option of the TRICARE program known as TRICARE Prime.

''(2) The Secretary of Defense shall enter into arrangements with contractors under the TRICARE program or with other appropriate contractors for the timely and efficient processing of claims under this subsection.

''(3) The Secretary of Defense shall consult with the other administering Secretaries in the administration of this subsection.''.

(2) Section 731(b) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1811; 10 U.S.C. 1074 note) is amended—

(A) in paragraph (1), by adding at the end the following: ''A dependent of the member, as described in subparagraph (A), (D), or (I) of section 1072(2) of title 10, United States Code, who is residing with the member shall have the same entitlement to care and to waiver of charges as the member.''; and

(B) in paragraph (2), by inserting ''or dependent of the member, as the case may be,'' after ''(2) A member''.

(c) EFFECTIVE DATE.—(1) The amendments made by subsection (a)(2), with respect to members of the uniformed services, and the amendments made by subsection (b)(2), with respect to dependents of members, shall take effect on the date of the enactment of this Act and shall expire with respect to a member or the dependents of a member, respectively, on the later of the following:

(A) The date that is one year after the date of the enactment of this Act.

(B) The date on which the amendments subsection (a)(1) or (b)(1) apply with respect to the coverage of medical care for and provision of such care to the member or dependents, respectively.

(2) Section 731(b)(3) of Public Law 105–85 does not apply to a member of the Coast Guard, the National Oceanic and Atmospheric Administration, or the Commissioned Corps of the Public Health Service, or to a dependent of a member of a uniformed service.

SEC. 712. ELIMINATION OF COPAYMENTS FOR IMMEDIATE FAMILY.

(a) NO COPAYMENT FOR IMMEDIATE FAMILY.—Section 1097a of title 10, United States Code, is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following new subsection (e):

''(e) NO COPAYMENT FOR IMMEDIATE FAMILY.—No copayment shall be charged a member for care provided under TRICARE Prime to a dependent of a member of the uniformed services described in subparagraph (A), (D), or (I) of section 1072 of this title.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2000, and shall apply with respect to care provided on or after that date.

SEC. 713. IMPROVEMENT IN BUSINESS PRACTICES IN THE ADMINISTRATION OF THE TRICARE PROGRAM.

(a) REQUIREMENT.—Not later than October 1, 2001, the Secretary of Defense shall take actions that the Secretary considers appropriate to improve the business practices used in administering the access of eligible persons to health care services through the TRICARE program under chapter 55 of title 10, United States Code, including the practices relating to the following:

(1) The availability and scheduling of appointments.

(2) The filing, processing, and payment of claims.

(3) Public relations efforts that are focused on outreach to eligible persons.

(4) The continuation of enrollments without expiration.

(5) The portability of enrollments nationwide.

(b) CONSULTATION.—The Secretary of Defense shall consult with the other administering Secretaries in the development of the actions to be taken under subsection (a).

(c) REPORT.—Not later than March 15, 2001, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the actions to be taken under subsection (a).

(d) DEFINITIONS.—In this section the terms ''administering Secretaries'' and ''TRICARE program'' shall have the meanings given such terms in section 1072 of title 10, United States Code.

SEC. 714. IMPROVEMENT OF ACCESS TO HEALTH CARE UNDER THE TRICARE PROGRAM.

(a) WAIVER OF NONAVAILABILITY STATEMENT OR PREAUTHORIZATION.—In the case of a covered beneficiary under chapter 55 of title 10, United States Code, who is enrolled in TRICARE Standard, the Secretary of Defense may not require with regard to authorized health care services (other than mental health services) under any new contract for the provision of health care services under such chapter that the beneficiary—

(1) obtain a nonavailability statement or preauthorization from a military medical treatment facility in order to receive the services from a civilian provider; or

(2) obtain a nonavailability statement for care in specialized treatment facilities outside the 200-mile radius of a military medical treatment facility.

(b) NOTICE.—The Secretary may require that the covered beneficiary inform the primary care manager of the beneficiary of any health care received from a civilian provider or in a specialized treatment facility.

(c) EXCEPTIONS.—Subsection (a) shall not apply if—

(1) the Secretary demonstrates significant cost avoidance for specific procedures at the affected military medical treatment facilities;

(2) the Secretary determines that a specific procedure must be maintained at the affected military medical treatment facility to ensure the proficiency levels of the practitioners at the facility; or

(3) the lack of nonavailability statement data would significantly interfere with TRICARE contract administration.

(d) EFFECTIVE DATE.—This section shall take effect on October 1, 2001.

SEC. 715. ENHANCEMENT OF ACCESS TO TRICARE IN RURAL STATES.

(a) HIGHER MAXIMUM ALLOWABLE CHARGE.—Section 1079(h) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking ''paragraphs (2) and (3)'' in the first sentence and inserting ''paragraphs (2), (3), and (4)'';

(2) by redesignating paragraph (4) as paragraph (5);

(3) by inserting after paragraph (3) the following new paragraph (4):

''(4)(A) The amount payable for a charge for a service provided by an individual health care professional or other noninstitutional health care provider in a rural State for which a claim is submitted under a plan contracted for under subsection (a) shall be equal to 80 percent of the customary and reasonable charge for services of that type when provided by such a professional or other provider, as the case may be, in that State.

''(B) A customary and reasonable charge shall be determined for the purposes of subparagraph (A) under regulations prescribed by the Secretary of Defense in consultation with the other administering Secretaries. In prescribing the regulations, the Secretary may also consult with the Administrator of the Health Care Financing Administration of the Department of Health and Human Services.''; and

(4) by adding at the end the following:

''(6) In this subsection the term 'rural State' means a State that has, on average, as determined by the Bureau of the Census in the latest decennial census—

''(A) less than 76 residents per square mile; and

''(B) less than 211 actively practicing physicians (not counting physicians employed by the United States) per 100,000 residents.''.

(b) REPORT.—(1) Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the extent to which physicians are choosing not to participate in contracts for the furnishing of health care in rural States under chapter 55 of title 10, United States Code.

(2) The report shall include the following:

(A) The number of physicians in rural States who are withdrawing from participation, or otherwise refusing to participate, in the health care contracts.

(B) The reasons for the withdrawals and refusals.

(C) The actions that the Secretary of Defense can take to encourage more physicians to participate in the health care contracts.

(D) Any recommendations for legislation that the Secretary considers necessary to encourage more physicians to participate in the health care contracts.

(3) In this subsection, the term ''rural State'' has the meaning given that term in section 1079(h)(6) of title 10, United States Code (as added by subsection (a)).

Subtitle C—Joint Initiatives With Department of Veterans Affairs

SEC. 721. TRACKING PATIENT SAFETY IN MILITARY AND VETERANS HEALTH CARE SYSTEMS.

(a) CENTRALIZED TRACKING PROCESS.—The Secretary of Defense and the Secretary of Veterans Affairs shall jointly prescribe a centralized process for the reporting, compiling, and analysis of errors in the provision of health care under the Defense Health Program and the Department of Veterans Affairs health care system that endanger patients beyond the normal risks associated with the care and treatment of the patients.

(b) SAFETY INDICATORS, ET CETERA.—The process shall include such indicators, standards, and protocols as the Secretary of Defense and the Secretary of Veterans Affairs consider necessary for the establishment and administration of an effective process.

SEC. 722. PHARMACEUTICAL IDENTIFICATION TECHNOLOGY.

(a) BAR CODE IDENTIFICATION TECHNOLOGY.—The Secretary of Defense and the Secretary of Veterans Affairs shall jointly develop a system for the use of bar codes for the identification of pharmaceuticals.

(b) USE IN MAIL ORDER PHARMACEUTICALS PROGRAM.—The Secretary of Defense, in consultation with the Secretary of Veterans Affairs, shall experiment with the use of bar code identification of pharmaceuticals in the administration of the mail order pharmaceuticals program carried out under section 1110(a) of title 10, United States Code (as added by section 731).

SEC. 723. MEDICAL INFORMATICS.

(a) ADDITION MATTERS FOR ANNUAL REPORT ON MEDICAL INFORMATICS ADVISORY COMMITTEE.—Section 723(d)(5) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 697; 10 U.S.C. 1071 note) is amended to read as follows:

''(5) The Secretary of Defense shall submit to Congress an annual report on medical informatics. The report shall include a discussion of the following matters:

''(A) The activities of the Committee.

''(B) The coordination of development, deployment, and maintenance of health care informatics systems within the Federal Government, and between the Federal Government and the private sector.

''(C) The progress or growth occurring in medical informatics.

''(D) How the TRICARE program and the Department of Veterans Affairs health care system can use the advancement of knowledge in medical informatics to raise the standards of health care and treatment and the expectations for improving health care and treatment.''.

(b) FISCAL YEAR 2001 FUNDING FOR PHARMACEUTICALS-RELATED MEDICAL INFORMATICS.—Of the amount authorized to be appropriated under section 301(22)—

(1) $64,000,000 is available for the commencement of the implementation of a new computerized medical record, including an automated entry order system for pharmaceuticals, that makes all relevant clinical information on a patient under the Defense Health Program available when and where it is needed; and

(2) $9,000,000 is available for the implementation of an integrated pharmacy system under the Defense Health Program that creates a single profile for all of the prescription medications a patient takes, regardless of whether the prescriptions for those medications were filled at military or private pharmacies serving Department of Defense beneficiaries worldwide.

Subtitle D—Other Matters

SEC. 731. PERMANENT AUTHORITY FOR CERTAIN PHARMACEUTICAL BENEFITS.

(a) AUTHORITY.—(1) Chapter 55 of title 10, United States Code, is amended by adding at the end the following:

''§ 1110. Pharmaceutical benefits

''(a) PHARMACEUTICALS BY MAIL.—The Secretary of Defense shall carry out a program to provide eligible persons with prescription pharmaceuticals by mail.

''(b) RETAIL PHARMACY NETWORK.—To the maximum extent practicable, the Secretary of Defense shall include in each managed health care program under this chapter, a program to supply prescription pharmaceuticals to eligible persons through a managed care network of community retail pharmacies in the area covered by the managed health care program.

''(c) ELIGIBLE PERSONS.—A person is eligible to obtain pharmaceuticals under the program of pharmaceuticals by mail under subsection (a) or through a retail pharmacy network included in a managed health care program under subsection (b) as follows:

''(1) A person who is eligible for medical care under a contract for medical care entered into by the Secretary of Defense under section 1079 or 1086 of this title.

''(2) A person who would be eligible for medical care under a contract for medical care entered into under section 1086 of this title except for the operation of subsection (d)(1) of such section.

''(d) PHARMACEUTICALS OFFERED.—The Secretary of Defense shall determine the pharmaceuticals that may be obtained by eligible persons under subsection (a) or (b).

''(e) FEES.—The Secretary of Defense shall prescribe an appropriate fee, charge, or copayment to be paid by persons for pharmaceuticals obtained under subsection (a) or (b).

''(f) CONSULTATION REQUIREMENT.—The Secretary of Defense shall consult with the other administering Secretaries in the administration of this section.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

''1110. Pharmaceutical benefits.''.

(b) REPEAL OF SUPERSEDED AUTHORITY.—Section 702 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2431; 10 U.S.C. 1079 note) is repealed.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on January 1, 2001.

SEC. 732. PROVISION OF DOMICILIARY AND CUSTODIAL CARE FOR CHAMPUS BENEFICIARIES.

(a) CONTINUATION OF CARE FOR CERTAIN CHAMPUS BENEFICIARIES.—Section 703(a)(1) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 682; 10 U.S.C. 1077 note) is amended by inserting before the period at the end the following: ''or by the prohibition in section 1086(d)(1) of such title''.

(b) COST LIMITATION FOR INDIVIDUAL CASE MANAGEMENT PROGRAM.—(1) Section 1079(a)(17) of title 10, United States Code, is amended—

(A) by inserting ''(A)'' after ''(17)''; and

(B) by adding at the end the following:

''(B) The total amount expended under subparagraph (A) for a fiscal year may not exceed $100,000,000.''.

(2) Section 703 of the National Defense Authorization Act for Fiscal Year 2000 is amended by adding at the end the following:

''(e) COST LIMITATION.—The total amount paid for services for eligible beneficiaries under subsection (a) for a fiscal year (together with the costs of administering the authority under that subsection) shall be included in the expenditures limited by section 1079(a)(17)(B) of title 10, United States Code.''.

(c) APPLICABILITY OF COST LIMITATION.—The amendments made by subsection (b) shall apply to fiscal years after fiscal year 1999.

SEC. 733. MEDICAL AND DENTAL CARE FOR MEDAL OF HONOR RECIPIENTS AND THEIR DEPENDENTS.

(a) MEDAL RECIPIENTS.—Section 1074 of title 10, United States Code, is amended by adding at the end the following:

''(d)(1) A medal of honor recipient is entitled to medical and dental care under this chapter to the same extent as a person referred to in subsection (b).

''(2) In this subsection, the term 'medal of honor recipient' means a person awarded a medal of honor under section 3741, 6241, or 8741 of this title, or section 491 of title 14.''.

(b) DEPENDENTS.—Section 1076 of such title is amended by adding at the end the following:

''(f)(1) The immediate dependents of a medal of honor recipient are entitled to medical and dental care under this chapter to the same extent as a person referred to in subsection (b).

''(2) In this subsection:

''(A) The term 'medal of honor recipient' has the meaning given the term in section 1074(d)(2) of this title.

''(B) The term 'immediate dependent' means a dependent described in subparagraphs (A), (B), (C), and (D) of section 1072(2) of this title.''.

SEC. 734. SCHOOL-REQUIRED PHYSICAL EXAMINATIONS FOR CERTAIN MINOR DEPENDENTS.

Section 1076 of title 10, United States Code, as amended by section 733(b), is further amended by adding at the end the following:

''(g)(1) The administering Secretaries shall furnish an eligible dependent a physical examination that is required by a school in connection with the enrollment of the dependent as a student in that school.

''(2) A dependent is eligible for a physical examination under paragraph (1) if the dependent—

''(A) is entitled to receive medical care under subsection (a) or is authorized to receive medical care under subsection (b); and

''(B) is at least 5 years of age and less than 12 years of age.

''(3) Nothing in paragraph (2) may be construed to prohibit the furnishing of a school-required physical examination to any dependent who, except for not satisfying the age requirement under that paragraph, would otherwise be eligible for a physical examination required to be furnished under this subsection.''.

SEC. 735. TWO-YEAR EXTENSION OF DENTAL AND MEDICAL BENEFITS FOR SURVIVING DEPENDENTS OF CERTAIN DECEASED MEMBERS.

(a) DENTAL BENEFITS.—Section 1076a(k)(2) of title 10, United States Code, is amended by striking ''one-year period'' and inserting ''three-year period''.

(b) MEDICAL BENEFITS.—Section 1079(g) of title 10, United States Code, is amended by striking ''one-year period'' in the second sentence and inserting ''three-year period''.

SEC. 736. EXTENSION OF AUTHORITY FOR CONTRACTS FOR MEDICAL SERVICES AT LOCATIONS OUTSIDE MEDICAL TREATMENT FACILITIES.

Section 1091(a)(2) of title 10, United States Code, is amended by striking ''December 31, 2000'' and inserting ''September 30, 2002''.

SEC. 737. TRANSITION OF CHIROPRACTIC HEALTH CARE DEMONSTRATION PROGRAM TO PERMANENT STATUS.

(a) TRICARE PRIME BENEFITS.—The Secretary of Defense shall complete the development and implementation of a program to provide chiropractic health care services and benefits for all TRICARE Prime enrollees as a permanent part of the military health care system for the enrollees in that plan, as follows:

(1) At the military medical treatment facilities designated pursuant to section 731(a)(2)(A) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 1092 note), not later than 180 days after the date of the enactment of this Act.

(2) At the other military medical treatment facilities considered by the Secretary of Defense to be major military medical treatment facilities, not later than October 1, 2001.

(b) PRIMARY CARE MANAGEMENT.—The Secretary shall ensure that the primary care manager model, which requires referral by a primary care manager, is used for providing the chiropractic health care services and benefits under the program referred to in subsection (a).

(c) CONTINUATION OF EXISTING CHIROPRACTIC BENEFITS.—Section 731(a)(4) of the National Defense Authorization Act for Fiscal Year 1995 is amended—

(1) by striking ''During fiscal year 2000, the'' and inserting ''The''; and

(2) by adding at the end the following: ''The requirement under the preceding sentence shall cease to apply with respect to a military medical treatment facility on the date on which the Secretary of Defense completes the implementation of a program to provide chiropractic health care services and benefits at that facility for all TRICARE Prime enrollees as a permanent part of the military health care system for the enrollees in that plan.''.

SEC. 738. USE OF INFORMATION TECHNOLOGY FOR ENHANCEMENT OF DELIVERY OF ADMINISTRATIVE SERVICES UNDER THE DEFENSE HEALTH PROGRAM.

(a) REQUIREMENT.—The Secretary of Defense shall take the actions that the Secretary determines necessary to use, in at least one TRICARE program region, commercially available information technology systems and products to simplify the critical administrative processes of the defense health program (including TRICARE), to enhance the efficiency of the performance of administrative services under the program, to match commercially recognized standards of performance of the services, and otherwise to improve the performance of the services.

(b) IMPLEMENTATION.—In carrying out subsection (a), the Secretary shall ensure that—

(1) the use of Internet technology is incorporated into the processes referred to in that subsection; and

(2) conversions to new or different computer technologies incorporate data requirements that are widely used in the marketplace (including those used by medicare or commercial insurers) for the performance of administrative services.

(c) ADMINISTRATIVE SERVICES DEFINED.—In this section, the term ''administrative services'' includes the performance of the following functions:

(1) Marketing.

(2) Enrollment.

(3) Program education of beneficiaries.

(4) Program education of health care providers.

(5) Scheduling of appointments.

(6) Processing of claims.

SEC. 739. PATIENT CARE REPORTING AND MANAGEMENT SYSTEM.

(a) ESTABLISHMENT.—The Secretary of Defense shall establish a patient care error reporting and management system.

(b) PURPOSES OF SYSTEM.—The purposes of the system are as follows:

(1) To study the occurrences of errors in the patient care provided under chapter 55 of title 10, United States Code.

(2) To identify the systemic factors that are associated with such occurrences.

(3) To provide for action to be taken to correct the identified systemic factors.

(c) REQUIREMENTS FOR SYSTEM.—The patient care error reporting and management system shall include the following:

(1) A hospital-level patient safety center, within the quality assurance department of each health care organization of the Department of Defense, to collect, assess, and report on the nature and frequency of errors related to patient care.

(2) For each health care organization of the Department of Defense and for the entire Defense health program, the patient safety baselines that are necessary for the development of a full understanding of patient safety issues in each such organization and the entire program, including the nature and types of errors and the systemic causes of the errors.

(3) A Department of Defense Patient Safety Center within the Armed Forces Institute of Pathology to have the following missions:

(A) To analyze information on patient care errors that is submitted to the Center by each military health care organization.

(B) To develop action plans for addressing patterns of patient care errors.

(C) To execute those action plans to mitigate and control errors in patient care with a goal of ensuring that the health care organizations of the Department of Defense provide highly reliable patient care with virtually no error.

(D) To provide, through the Assistant Secretary of Defense for Health Affairs, to the Agency for Healthcare Research and Quality of

the Department of Health and Human Services any reports that the Assistant Secretary determines appropriate.

(E) To review and integrate processes for reducing errors associated with patient care and for enhancing patient safety.

(F) To contract with a qualified and objective external organization to manage the national patient safety database of the Department of Defense.

(d) MEDTEAMS PROGRAM.—The Secretary shall expand the health care team coordination program to integrate that program into all Department of Defense health care operations. In carrying out this subsection, the Secretary shall take the following actions:

(1) Establish not less than two Centers of Excellence for the development, validation, proliferation, and sustainment of the health care team coordination program, one of which shall support all fixed military health care organizations, the other of which shall support all combat casualty care organizations.

(2) Deploy the program to all fixed and combat casualty care organizations of each of the Armed Forces, at the rate of not less than 10 organizations in each fiscal year.

(3) Expand the scope of the health care team coordination program from a focus on emergency department care to a coverage that includes care in all major medical specialties, at the rate of not less than one specialty in each fiscal year.

(4) Continue research and development investments to improve communication, coordination, and team work in the provision of health care.

(e) CONSULTATION.—The Secretary shall consult with the other administering Secretaries (as defined in section 1072(3) of title 10, United States Code) in carrying out this section.

SEC. 740. HEALTH CARE MANAGEMENT DEMONSTRATION PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Defense shall carry out a demonstration program on health care management to explore opportunities for improving the planning and management of the Department of Defense health care system.

(b) TEST MODELS.—Under the demonstration program, the Secretary shall test the use of the following planning and management models:

(1) A health care simulation model for studying alternative delivery policies, processes, organizations, and technologies.

(2) A health care simulation model for studying long term disease management.

(c) DEMONSTRATION SITES.—The Secretary shall test each model separately at one or more sites.

(d) PERIOD FOR PROGRAM.—The demonstration program shall begin not later than 180 days after the date of the enactment of this Act and shall terminate on December 31, 2001.

(e) REPORTS.—The Secretary of Defense shall submit a report on the demonstration program to the Committees on Armed Services of the Senate and the House of Representatives not later than March 15, 2002. The report shall include the Secretary's assessment of the value of incorporating the use of the tested planning and management models throughout the Department of Defense health care system.

(f) FUNDING.—Of the amount authorized to be appropriated under section 301(22), $6,000,000 shall be available for the demonstration program under this section.

SEC. 741. STUDIES OF ACCRUAL FINANCING FOR HEALTH CARE FOR MILITARY RETIREES.

(a) STUDIES REQUIRED.—The Secretary of Defense shall carry out two studies to assess the feasibility and desirability of financing the military health care program for retirees of the uniformed services on an accrual basis.

(b) SOURCES OF STUDIES.—The Secretary shall provide for—

(1) one of the studies under subsection (a) to be conducted by one or more Department of Defense organizations designated by the Secretary; and

(2) the other study to be conducted by an organization that is independent of the Department of Defense and has expertise in financial programs and health care.

(c) REPORTS.—(1) The Secretary shall provide for the submission of a final report on each study to the Secretary within such time as the Secretary determines necessary to satisfy the requirement in paragraph (2).

(2) The Secretary shall transmit the final reports on the studies to Congress not later than February 8, 2001. The Secretary may include in the transmittal any comments on the reports or on the matters studied that the Secretary considers appropriate.

SEC. 742. AUGMENTATION OF ARMY MEDICAL DEPARTMENT BY RESERVE OFFICERS OF THE PUBLIC HEALTH SERVICE.

(a) AUTHORITY.—The Secretary of the Army and the Secretary of Health and Human Services may jointly conduct a program to augment the Army Medical Department by exercising any authorities provided to those officials in law for the detailing of reserve commissioned officers of the Public Health Service not in an active status to the Army Medical Department for that purpose.

(b) AGREEMENT.—The Secretary of the Army and the Secretary of Health and Human Services shall enter into an agreement governing any program conducted under subsection (a).

(c) ASSESSMENT.—(1) The Secretary of the Army shall review the laws providing the authorities described in subsection (a) and assess the adequacy of those laws for authorizing—

(A) the Secretary of Health and Human Services to detail reserve commissioned officers of the Public Health Service not in an active status to the Army Medical Department to augment that department; and

(B) the Secretary of the Army to accept the detail of such officers for that purpose.

(2) The Secretary shall complete the review and assessment under paragraph (1) not later than 90 days after the date of the enactment of this Act.

(d) REPORT TO CONGRESS.—Not later than March 1, 2001, the Secretary of the Army shall submit a report on the results of the review and assessment under subsection (c) to the Committees on Armed Services of the Senate and the House of Representatives. The report shall include the following:

(1) The findings resulting from the review and assessment.

(2) Any proposal for legislation that the Secretary recommends to strengthen the authority of the Secretary of Health and Human Services and the authority of the Secretary of the Army to take the actions described in subparagraphs (A) and (B), respectively, of subsection (c)(1).

(e) CONSULTATION REQUIREMENT.—The Secretary of the Army shall consult with the Secretary of Health and Human Services in carrying out the review and assessment under subsection (c) and in preparing the report (including making recommendations) under subsection (d).

SEC. 743. SERVICE AREAS OF TRANSFEREES OF FORMER UNIFORMED SERVICES TREATMENT FACILITIES THAT ARE INCLUDED IN THE UNIFORMED SERVICES HEALTH CARE DELIVERY SYSTEM.

Section 722(e) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 10 U.S.C. 1073 note) is amended—

(1) by inserting ''(1)'' after ''(e) SERVICE AREA.—''; and

(2) by adding at the end the following:

''(2) The Secretary may, with the agreement of a designated provider, expand the service area of the designated provider as the Secretary determines necessary to permit covered beneficiaries to enroll in the designated provider's managed care plan. The expanded service area may include one or more noncontiguous areas.''.

SEC. 744. BLUE RIBBON ADVISORY PANEL ON DEPARTMENT OF DEFENSE POLICIES REGARDING THE PRIVACY OF INDIVIDUAL MEDICAL RECORDS.

(a) ESTABLISHMENT.—(1) There is hereby established an advisory panel to be known as the Blue Ribbon Advisory Panel on Department of Defense Policies Regarding the Privacy of Individual Medical Records (in this section referred to as the ''Panel'').

(2)(A) The Panel shall be composed of 7 members appointed by the President, of whom—

(i) at least one shall be a member of a consumer organization;

(ii) at least one shall be a medical professional;

(iii) at least one shall have a background in medical ethics; and

(iv) at least one shall be a member of the Armed Forces.

(B) The appointments of the members of the Panel shall be made not later than 30 days after the date of the enactment of this Act.

(3) No later than 30 days after the date on which all members of the Panel have been appointed, the Panel shall hold its first meeting.

(4) The Panel shall select a Chairman and Vice Chairman from among its members.

(b) DUTIES.—(1) The Panel shall conduct a thorough study of all matters relating to the policies and practices of the Department of Defense regarding the privacy of individual medical records.

(2) Not later than April 30, 2001, the Panel shall submit a report to the President and Congress which shall contain a detailed statement of the findings and conclusions of the Panel, together with its recommendations for such legislation and administrative actions as it considers appropriate to ensure the privacy of individual medical records.

(c) POWERS.—(1) The Panel may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Panel considers advisable to carry out the purposes of this section.

(2) The Panel may secure directly from the Department of Defense, and any other Federal department or agency, such information as the Panel considers necessary to carry out the provisions of this section. Upon request of the Chairman of the Panel, the Secretary of Defense, or the head of such department or agency, shall furnish such information to the Panel.

(3) The Panel may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(4) The Panel may accept, use, and dispose of gifts or donations of services or property.

(5) Any Federal Government employee may be detailed to the Panel without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(d) TERMINATION.—The Panel shall terminate 30 days after the date on which the Panel submits its report under subsection (b)(2).

(e) FUNDING.—(1) Of the amounts authorized to be appropriated by this Act, the Secretary shall make available to the Panel such sums as the Panel may require for its activities under this section.

(2) Any sums made available under paragraph (1) shall remain available, without fiscal year limitation, until expended.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

SEC. 801. IMPROVEMENTS IN PROCUREMENTS OF SERVICES.

(a) PREFERENCE FOR PERFORMANCE-BASED SERVICE CONTRACTING.—Not later than 180 days after the date of the enactment of this Act, the Federal Acquisition Regulation issued in accordance with sections 6 and 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 405 and 421) shall be revised to establish a preference for use of contracts and task orders for

the purchase of services in the following order of precedence:

(1) A performance-based contract or performance-based task order that contains firm fixed prices for the specific tasks to be performed.

(2) Any other performance-based contract or performance-based task order.

(3) Any contract or task order that is not a performance-based contract or a performance-based task order.

(b) INCENTIVE FOR USE OF PERFORMANCE-BASED SERVICE CONTRACTS.—(1) A Department of Defense performance-based contract or performance-based task order may be treated as a contract for the procurement of commercial items if—

(A) the contract or task order is valued at $5,000,000 or less;

(B) the contract or task order sets forth specifically each task to be performed and, for each task—

(i) defines the task in measurable, mission-related terms;

(ii) identifies the specific end products or output to be achieved; and

(iii) contains a firm fixed price; and

(C) the source of the services provides similar services contemporaneously to the general public under terms and conditions similar to those offered to the Federal Government.

(2) The special simplified procedures provided in the Federal Acquisition Regulation pursuant to section 2304(g)(1)(B) of title 10, United States Code, shall not apply to a performance-based contract or performance-based task order that is treated as a contract for the procurement of commercial items under paragraph (1).

(3) Not later than 2 years after the date of the enactment of this Act, the Comptroller General shall submit a report on the implementation of this subsection to the congressional defense committees.

(4) The authority under this subsection shall not apply to contracts entered into or task orders issued more than 3 years after the date of the enactment of this Act.

(c) CENTERS OF EXCELLENCE IN SERVICE CONTRACTING.—Not later than 180 days after the date of the enactment of this Act, the Secretary of each military department shall establish at least one center of excellence in contracting for services. Each center of excellence shall assist the acquisition community by identifying, and serving as a clearinghouse for, best practices in contracting for services in the public and private sectors.

(d) ENHANCED TRAINING IN SERVICE CONTRACTING.—(1) The Secretary of Defense shall ensure that classes focusing specifically on contracting for services are offered by the Defense Acquisition University and the Defense Systems Management College and are otherwise available to contracting personnel throughout the Department of Defense.

(2) The Secretary of each military department and the head of each Defense Agency shall ensure that the personnel of the department or agency, as the case may be, who are responsible for the awarding and management of contracts for services receive appropriate training that is focused specifically on contracting for services.

(e) DEFINITIONS.—In this section:

(1) The term ''performance-based'', with respect to a contract, a task order, or contracting, means that the contract, task order, or contracting, respectively, includes the use of performance work statements that set forth contract requirements in clear, specific, and objective terms with measurable outcomes.

(2) The term ''commercial item'' has the meaning given the term in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).

(3) The term ''Defense Agency'' has the meaning given the term in section 101(a)(11) of title 10, United States Code.

SEC. 802. ADDITION OF THRESHOLD VALUE REQUIREMENT FOR APPLICABILITY OF A REPORTING REQUIREMENT RELATING TO MULTIYEAR CONTRACT.

Section 2036b(l)(4) of title 10, United States Code, is amended by striking ''until the Secretary of Defense submits to the congressional defense committees a report with respect to that contract (or contract extension)'' in the matter preceding subparagraph (A) and inserting ''the value of which would exceed $500,000,000 (when entered into or when extended, as the case may be) until the Secretary of Defense has submitted to the congressional defense committees a report''.

SEC. 803. PLANNING FOR THE ACQUISITION OF INFORMATION SYSTEMS.

(a) RESPONSIBILITY OF CHIEF INFORMATION OFFICERS.—Section 2223 of title 10, United States Code, is amended—

(1) in subsection (a)—

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

(B) by striking the period at the end of paragraph (4) and inserting ''; and''; and

(C) by adding at the end the following:

''(5) maintain a consolidated inventory of Department of Defense mission critical and mission essential information systems, identify interfaces between these systems and other information systems, and develop and maintain contingency plans for responding to a disruption in the operation of any of these information systems.''; and

(2) in subsection (b)—

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

(B) by striking the period at the end of paragraph (4) and inserting ''; and''; and

(C) by adding at the end the following:

''(5) maintain an inventory of the mission critical and mission essential information systems of the military department, identify interfaces between these systems and other information systems, and develop and maintain contingency plans for responding to a disruption in the operation of any of these information systems.''.

(b) REVISED REGULATIONS REQUIRED.—Not later than 60 days after the date of enactment of this Act, Department of Defense Directive 5000.1 shall be revised to establish minimum planning requirements for the acquisition of information technology systems.

(c) MISSION CRITICAL AND MISSION ESSENTIAL INFORMATION TECHNOLOGY SYSTEMS.—The revised directive required by subsection (b) shall—

(1) include definitions of the terms ''mission critical information system'' and ''mission essential information system''; and

(2) prohibit the award of any contract for the acquisition of a mission critical or mission essential information technology system until—

(A) the system has been registered with the Chief Information Officer of the Department of Defense;

(B) the Chief Information Officer has received all information on the system that is required under the directive to be provided to that official; and

(C) the Chief Information Officer has determined that an appropriate information assurance strategy is in place for the system.

(d) MAJOR AUTOMATED INFORMATION SYSTEMS.—The revised directive required by subsection (b) shall prohibit Milestone I approval, Milestone II approval, or Milestone III approval of a major automated information system within the Department of Defense until the Chief Information Officer has determined that—

(1) the system is being developed in accordance with the requirements of division E of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401 et seq.);

(2) appropriate actions have been taken with respect to the system in the areas of business process reengineering, analysis of alternatives, economic analysis, and performance measures; and

(3) the system has been registered as described in subsection (c)(2).

(e) REPORTS.—(1) The Secretary of Defense shall submit to the congressional defense committees, not later than February 1 of each of fiscal years 2001, 2002, and 2003, a report on the implementation of the requirements of this section during the preceding fiscal year.

(2) The report for a fiscal year under paragraph (1) shall include, at a minimum, for each major automated information system that was approved during such preceding fiscal year under Department of Defense Directive 5000.1 (as revised pursuant to subsection (d)), the following:

(A) The funding baseline.

(B) The milestone schedule.

(C) The actions that have been taken to ensure compliance with the requirements of this section and the directive.

(3) The report for fiscal year 2000 shall include, in addition to the information required by paragraph (2), an explanation of the manner in which the responsible officials within the Department of Defense have addressed, or intend to address, the following acquisition issues for each major automated information system to be acquired after that fiscal year:

(A) Requirements definition.

(B) Presentation of a business case analysis, including an analysis of alternatives and a calculation of return on investment.

(C) Performance measurement.

(D) Test and evaluation.

(E) Interoperability.

(F) Cost, schedule, and performance baselines.

(G) Information assurance.

(H) Incremental fielding and implementation.

(I) Risk mitigation.

(J) The role of integrated product teams.

(K) Issues arising from implementation of the Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance Plan required by Department of Defense Directive 5000.1 and Chairman of the Joint Chiefs of Staff Instruction 3170.01.

(L) Oversight, including the Chief Information Officer's oversight of decision reviews.

(f) DEFINITIONS.—In this section:

(1) The term ''Chief Information Officer'' means the senior official of the Department of Defense designated by the Secretary of Defense pursuant to section 3506 of title 44, United States Code.

(2) The term ''information technology system'' has the meaning given the term ''information technology'' in section 5002 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401).

(3) The term ''major automated information system'' has the meaning given that term in Department of Defense Directive 5000.1.

SEC. 804. TRACKING OF INFORMATION TECHNOLOGY PURCHASES.

(a) REQUIREMENT FOR TRACKING SYSTEM.—(1) Chapter 131 of title 10, United States Code, is amended by adding at the end the following:

''§2225. Information technology purchases: automated tracking and management systems

''(a) REQUIREMENT FOR SYSTEMS.—(1) The Secretary of each military department shall administer an automated system for tracking and managing purchases of information technology products and services by the department.

''(2) The Secretary of Defense shall administer an automated system for tracking and managing purchases of information technology products and services by the Defense Agencies.

''(b) PURCHASE TO WHICH APPLICABLE.—Each system under subsection (a) shall, at a minimum, provide for collection of data on all purchases of information technology products and services in excess of the simplified acquisition threshold, regardless of whether such purchases are made in the form of a contract, grant, cooperative agreement, other transaction, task order, delivery order, or military interdepartmental purchase request, or in any other form.

''(c) DATA TO BE INCLUDED.—The information collected under each such system shall include, for each purchase, the following:

''(1) The products or services purchased.

''(2) The categorization of the products or services as commercial off-the-shelf products, other commercial items, nondevelopmental items other than commercial items, other noncommercial items, or services.

''(3) The total dollar amount of the purchase.

''(4) The contract form used to make the purchase.

''(5) In the case of a purchase made through another agency—

''(A) the agency through which the purchase is made; and

''(B) the reasons for making the purchase through that agency.

''(6) The type of pricing used to make the purchase (whether by fixed price or by another specified type of pricing).

''(7) The extent of competition provided for in making the purchase.

''(8) A statement regarding whether the purchase was made from—

''(A) a small business concern;

''(B) a small business concern owned and controlled by socially and economically disadvantaged individuals; or

''(C) a small business concern owned and controlled by women.

''(9) A statement regarding whether the purchase was made in compliance with the planning requirements provided under sections 5112, 5113, 5122, and 5123 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1412, 1413, 1242, 1423).

''(10) In the case of frequently-purchased commercial off-the-shelf items, data that informs managers of the unit prices paid for the items and enables the managers to ensure that such prices are fair and reasonable.

''(d) LIMITATION ON PURCHASES.—No purchase of information technology products or services in excess of the simplified acquisition threshold shall be made for the Department of Defense through a Federal Government agency that is outside the Department of Defense unless—

''(1) data on the purchase is included in a tracking system that meets the requirements of subsections (a), (b), and (c); or

''(2) the purchase—

''(A) in the case of a purchase by a Defense Agency, is approved by the Under Secretary of Defense for Acquisition, Technology, and Logistics; or

''(B) in the case of a purchase by a military department, is approved by the senior procurement executive of the military department.

''(e) ANNUAL REPORT.—Not later than February 15 of each fiscal year, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the purchases of information technology products and services that were made by the military departments and Defense Agencies during the preceding fiscal year. The report shall set forth an aggregation of the information collected in accordance with subsection (c).

''(f) DEFINITIONS.—In this section:

''(1) The term 'senior procurement executive', with respect to a military department, means the official designated as the senior procurement executive for the military department for the purposes of section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)).

''(2) The term 'simplified acquisition threshold' has the meaning given the term in section 4(11) of the Office of Federal Procurement Policy Act (31 U.S.C. 403(11).

''(3) The term 'small business concern' means a business concern that meets the applicable size standards prescribed pursuant to section 3(a) of the Small Business Act (15 U.S.C. 632(a)).

''(4) The term 'small business concern owned and controlled by socially and economically disadvantaged individuals' has the meaning given that term in section 8(d)(3)(C) of the Small Business Act (15 U.S.C. 637(d)(3)(C)).

''(5) The term 'small business concern owned and controlled by women' has the meaning given that term in section 8(d)(3)(D) of the Small Business Act (15 U.S.C. 637(d)(3)(D)).''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

''2225. Information technology purchases: automated tracking and management systems.''.

(b) TIME FOR IMPLEMENTATION.—(1) Each official required under section 2225 of title 10, United States Code (as added by subsection (a)), to administer an automated system for tracking and managing purchases of information technology products and services shall develop and commence the use of the system not later than one year after the date of the enactment of this Act.

(2) Subsection (d) of section 2225 of title 10, United States Code (as so added), shall apply to purchases described in that subsection for which solicitations of offers are issued more than one year after the date of the enactment of this Act.

(c) GAO REPORT.—Not later than 15 months after the date of the enactment of this Act, the Comptroller General shall submit to the congressional defense committees a report on the systems developed pursuant to section 2225 of title 10, United States Code (as added by subsection (a)). The report shall include the Comptroller General's assessment of the extent to which the systems meet the requirements of that section.

SEC. 805. REPEAL OF REQUIREMENT FOR CONTRACTOR ASSURANCES REGARDING THE COMPLETENESS, ACCURACY, AND CONTRACTUAL SUFFICIENCY OF TECHNICAL DATA PROVIDED BY THE CONTRACTOR.

Section 2320(b) of title 10, United States Code, is amended—

(1) by striking paragraph (7); and

(2) by redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively.

SEC. 806. EXTENSION OF AUTHORITY FOR DEPARTMENT OF DEFENSE ACQUISITION PILOT PROGRAMS.

Section 5064(d)(2) of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355; 108 Stat. 3361; 10 U.S.C. 2430 note) is amended by striking ''45 days after the date of the enactment of this Act and ends on September 30, 1998'' and inserting ''on October 13, 1994, and ends on October 1, 2007''.

SEC. 807. CLARIFICATION AND EXTENSION OF AUTHORITY TO CARRY OUT CERTAIN PROTOTYPE PROJECTS.

(a) AMENDMENTS TO AUTHORITY.—Section 845 of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C. 2371 note) is amended by—

(1) redesignating subsection (d) as subsection (g); and

(2) inserting after subsection (c) the following:

''(d) APPROPRIATE USE OF AUTHORITY.—(1) The Secretary of Defense shall ensure that no official of an agency enters into an agreement for a prototype project under the authority of this section unless—

''(A) at least 20 percent of the total cost of the prototype project is to be paid out of funds provided by parties to the agreement other than the Federal Government (not including funds provided by such parties in the form of independent research and development costs and other costs that are reimbursed as indirect costs under Federal Government contracts);

''(B) at least 40 percent of the total cost of the prototype project is to be paid out of funds provided by parties to the agreement other than the Federal Government (including funds provided by such parties in the form of independent research and development costs and other costs that are reimbursed as indirect costs under Federal Government contracts);

''(C) there is at least one nontraditional defense contractor participating to a significant extent in the prototype project; or

''(D) the senior procurement executive for the agency (as designated for the purposes of section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3))) determines in writing that extraordinary circumstances justify the use of the authority of section 2371 of title 10, United States Code, in accordance with the requirements of this section, to enter into the particular agreement.

''(2)(A) Except as provided in subparagraph (B), the amounts counted for the purposes of this subsection as being provided or to be provided by a party other than the Federal Government under an agreement for a prototype project that is entered into under this section do not include costs that were incurred before the date on which the agreement becomes effective.

''(B) Costs that were incurred for a prototype project by a party after the beginning of negotiations resulting in an agreement for the project under this section may be counted for the purposes of this subsection as being provided or to be provided by the party under the agreement if and to the extent that the contracting officer or another official responsible for entering into the agreement determines in writing that—

''(i) the party incurred the costs in anticipation of entering into the agreement; and

''(ii) it was appropriate for the party to incur the costs before the agreement became effective in order to ensure the successful implementation of the agreement.

''(e) PILOT PROGRAM FOR TRANSITION TO FOLLOW-ON CONTRACTS.—(1) The Secretary of Defense is authorized to carry out a pilot program for follow-on contracting for the production of items or processes that are developed by nontraditional defense contractors under prototype projects carried out under this section.

''(2) Under the pilot program—

''(A) a qualifying contract for the procurement of such an item or process, or a qualifying subcontract under a contract for the procurement of such an item or process, may be treated as a contract or subcontract, respectively, for the procurement of commercial items, as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)); and

''(B) the item or process may be treated as an item or process, respectively, that is developed in part with Federal funds and in part at private expense for the purposes of section 2320 of title 10, United States Code.

''(3) For the purposes of the pilot program, a qualifying contract or subcontract is a contract or subcontract, respectively, with a nontraditional defense contractor that—

''(A) does not exceed $20,000,000; and

''(B) is either—

''(i) a firm, fixed-price contract or subcontract; or

''(ii) a fixed-price contract or subcontract with economic price adjustment.

''(4) The authority to conduct a pilot program under this subsection shall terminate on September 30, 2004. The termination of the authority shall not affect the validity of contracts or subcontracts that are awarded or modified during the period of the pilot program, without regard to whether the contracts or subcontracts are performed during the period.

''(f) NONTRADITIONAL DEFENSE CONTRACTOR DEFINED.—In this section, the term 'nontraditional defense contractor' means an entity that has not, for a period of at least three years, entered into—

''(1) any contract that is subject to the cost accounting standards prescribed pursuant to section 26 of the Office of Federal Procurement Policy Act (41 U.S.C. 422); or

''(2) any other contract or agreement to carry out prototype projects or to perform basic, applied, or advanced research projects for a Federal Government agency, other than an agreement entered into under the authority of this section or section 2371 of title 10, United States Code.''.

(b) EXTENSION OF AUTHORITY.—Subsection (g) of such section, as redesignated by subsection (a)(1), is amended by striking ''September 30, 2001'' and inserting ''September 30, 2004''.

(c) MORATORIUM.—Beginning on the date that is 120 days after the date of the enactment of this Act, no transaction may be entered into under the authority of section 845 of the National Defense Authorization Act for Fiscal Year 1994 or section 2371 of title 10, United States Code, until the final regulations implementing such section 2371 (required by subsection (g) of such section) are published in the Federal Register.

SEC. 808. CLARIFICATION OF AUTHORITY OF COMPTROLLER GENERAL TO REVIEW RECORDS OF PARTICIPANTS IN CERTAIN PROTOTYPE PROJECTS.

(a) COMPTROLLER GENERAL REVIEW.—Section 845(c) of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C. 2371 note) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by inserting after paragraph (2) the following new paragraph (3):

''(3)(A) The right provided to the Comptroller General in a clause of an agreement under paragraph (1) is limited as provided in subparagraph (B) in the case of a party to the agreement, an entity that participates in the performance of the agreement, or a subordinate element of that party or entity if the only agreements or other transactions that the party, entity, or subordinate element entered into with Government entities in the year prior to the date of that agreement are cooperative agreements or transactions that were entered into under this section or section 2371 of title 10, United States Code.

''(B) The only records of a party, other entity, or subordinate element referred to in subparagraph (A) that the Comptroller General may examine in the exercise of the right referred to in that subparagraph are records of the same type as the records that the Government has had the right to examine under the audit access clauses of the previous agreements or transactions referred to in such subparagraph that were entered into by that particular party, entity, or subordinate element.''.

SEC. 809. ELIGIBILITY OF SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY WOMEN FOR ASSISTANCE UNDER THE MENTOR-PROTEGE PROGRAM.

Section 831(m)(2) of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101–510; 10 U.S.C. 2302 note) is amended—

(1) by striking ''or'' at the end of subparagraph (C);

(2) by striking the period at the end of subparagraph (D) and inserting ''; or''; and

(3) by adding at the end the following:

''(E) a small business concern owned and controlled by women, as defined in section 8(d)(3)(D) of the Small Business Act (15 U.S.C. 637(d)(3)(D)).''.

SEC. 810. NAVY-MARINE CORPS INTRANET ACQUISITION.

(a) LIMITATION.—The performance of a contract for the acquisition of a Navy-Marine Corps Intranet may not begin until the Secretary of the Navy submits a report on that contract to Congress. A report under this section shall contain the following information:

(1) An estimate of the amount to be expended on the contract by each of the Navy and Marine Corps for each fiscal year.

(2) The accounts from which the performance of the contract will be funded through the end of fiscal year 2001.

(3) A plan for an incrementally phased implementation of the Navy-Marine Corps Intranet into the operations of the shore-based activities of the Navy and Marine Corps.

(4) The same information with regard to the Navy-Marine Corps Intranet as is required to be included in the report on major automated information systems under paragraphs (2) and (3) of section 803(e).

(5) With regard to each major command included in the first year of the implementation of the contract—

(A) an estimate of the number of civilian personnel currently performing functions that are potentially included in the scope of the contract;

(B) the extent to which the contractor may continue to rely upon that workforce to perform functions after the award of the contract; and

(C) the plans of the Department of the Navy for reassignment, reorganization, or other disposition of any portion of the workforce that does not continue to perform current functions.

(b) PROHIBITIONS.—(1) The increment of the Navy-Marine Corps Intranet that is implemented during the first year of implementation may not include any activities of the Marine Corps, the naval shipyards, or the naval aviation depots.

(2) Funds available for fiscal year 2001 for activities referred to in paragraph (1) may not be expended for any contract for the Navy-Marine Corps Intranet.

(c) APPLICABILITY OF STATUTORY AND REGULATORY REQUIREMENTS.—The acquisition of a Navy-Marine Corps Intranet shall be managed by the Department of the Navy in accordance with the requirements of—

(1) the Clinger-Cohen Act of 1996, including the requirement for utilizing modular contracting in accordance with section 38 of the Office of Federal Procurement Policy Act (41 U.S.C. 434); and

(2) Department of Defense Directives 5000.1 and 5000.2–R and all other directives, regulations, and management controls that are applicable to major investments in information technology and related services.

(d) COMPTROLLER GENERAL REVIEW.—(1) At the same time that the Secretary of the Navy submits a report on the Navy-Marine Corps Intranet to Congress under subsection (a), the Secretary shall transmit a copy of the report to the Comptroller General.

(2) Not later than 60 days after receiving a report on the Navy-Marine Corps Intranet under paragraph (1), the Comptroller General shall review the report and submit to Congress any comments that the Comptroller General considers appropriate regarding the report and the Navy-Marine Corps Intranet.

(e) PHASED IMPLEMENTATION TO COMMENCE DURING FISCAL YEAR 2001—The Secretary of the Navy shall commence a phased implementation of the Navy-Marine Corps Intranet during fiscal year 2001. For the implementation in that fiscal year—

(1) not more than fifteen percent of the total number of work stations to be provided under the Navy-Marine Corps Intranet program may be provided in the first quarter of such fiscal year; and

(2) no additional work stations may be provided until—

(A) the Secretary has conducted operational testing of the Intranet; and

(B) the Chief Information Officer of the Department of Defense has certified to the Secretary that the results of the operational testing of the Intranet are acceptable.

(f) IMPACT ON FEDERAL EMPLOYEES.—The Secretary shall mitigate any adverse impact of the implementation of the Navy-Marine Corps Intranet on civilian employees of the Department of the Navy who, as of the date of the enactment of this Act, are performing functions that are included in the scope of the Navy-Marine Corps Intranet program by—

(1) developing a comprehensive plan for the transition of such employees to the performance of other functions within the Department of the Navy;

(2) taking full advantage of transition authorities available for the benefit of employees;

(3) encouraging the retraining of employees who express a desire to qualify for reassignment to the performance of other functions within the Department of the Navy; and

(4) including a provision in the Navy-Marine Corps Intranet contract that requires the contractor to provide a preference for hiring employees of the Department of the Navy who, as of the date of the enactment of this Act, are performing functions that are included in the scope of the contract.

SEC. 811. QUALIFICATIONS REQUIRED FOR EMPLOYMENT AND ASSIGNMENT IN CONTRACTING POSITIONS.

(a) APPLICABILITY OF REQUIREMENTS TO MEMBERS OF THE ARMED FORCES.—Section 1724 of title 10, United States Code, is amended—

(1) in subsection (a), by striking ''a person must'' in the matter preceding paragraph (1) and inserting ''an employee or member of the armed forces must''; and

(2) in subsection (d)—

(A) by striking ''employee of'' and inserting ''person in''; and

(B) by striking ''employee possesses'' and inserting ''person possesses''.

(b) MANDATORY ACADEMIC QUALIFICATIONS.—(1) Subsection (a)(3) of such section is amended—

(A) by inserting ''and'' before ''(B)''; and

(B) by striking '', or (C)'' and all that follows through ''listed in subparagraph (B)''.

(2) Subsection (b) of such section is amended to read as follows:

''(b) GS–1102 SERIES POSITIONS AND SIMILAR MILITARY POSITIONS.—The Secretary of Defense shall require that a person meet the requirements set forth in paragraph (3) of subsection (a), but not the other requirements set forth in that subsection, in order to qualify to serve in a position in the Department of Defense in—

''(1) the GS–1102 occupational series; or

''(2) a similar occupational specialty when the position is to be filled by a member of the armed forces.''.

(c) EXCEPTION.—Subsection (c) of such section is amended to read as follows:

''(c) EXCEPTION.—The requirements imposed under subsection (a) or (b) shall not apply to a person for the purpose of qualifying to serve in a position in which the person is serving on September 30, 2000.''.

(d) DELETION OF UNNECESSARY CROSS REFERENCES.—Subsection (a) of such section is amended by striking ''(except as provided in subsections (c) and (d))'' in the matter preceding paragraph (1).

(e) EFFECTIVE DATE.—This section, and the amendments made by this section, shall take effect on October 1, 2000, and shall apply to appointments and assignments made on or after that date.

SEC. 812. DEFENSE ACQUISITION AND SUPPORT WORKFORCE.

(a) REQUIREMENT FOR REPORT.—Not later than March 15, 2001, the Secretary of Defense shall submit to Congress a report on the sufficiency of the acquisition and support workforce of the Department of Defense. The report shall include a plan to ensure that the defense acquisition and support workforce is of sufficient size and has the expertise necessary to ensure the cost-effective management of the defense acquisition system to obtain needed products and services at the best value.

(b) CONTENT OF REPORT.—(1) The Secretary's report on the defense acquisition and support workforce under subsection (a) shall include, at a minimum, the following:

(A) A comprehensive reassessment of any programmed reductions in the workforce and the impact that such reductions are likely to have on the ability of the workforce to meet the anticipated workload and responsibilities of the acquisition workforce.

(B) An assessment of the changing demographics of the workforce, including the impact of anticipated retirements among the most experienced acquisition personnel over the next five years, and management steps that may be needed to address these changes.

(C) A plan to address problems arising from previous reductions in the workforce, including—

(i) increased backlogs in closing out completed contracts;

(ii) increased program costs resulting from contracting for technical support rather than using Federal employees to provide the technical support;

(iii) insufficient staff to negotiate fair and reasonable pricing, to review and respond to contractor actions, to perform oversight and inspections, and otherwise to manage contract requirements;

(iv) failures to comply with competition requirements, to perform independent cost estimates, to complete technical reviews, to meet contractor surveillance requirements, and to perform necessary cost control functions; and

(v) lost opportunities to negotiate strategic supplier alliances, to improve parts control and management, to conduct modeling and simulation projects, and to develop other cost savings initiatives.

(D) The actions that are being taken or could be taken within the Department of Defense to enhance the tenure and reduce the turnover of program executive officers, program managers, and contracting officers.

(E) An evaluation of the acquisition workforce demonstration project conducted under section 4308 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 1701 note) together with any recommendations for improving personnel management laws, policies, or procedures with respect to the defense acquisition and support workforce.

(2) The plan contained in the report shall include specific milestones for workforce size, composition, and qualifications (including plans for needed recruiting, retention, and training) to address any problems identified in the report and to ensure the achievement of the objectives of the plan that are set forth in subsection (a).

(c) EXTENSION OF DEMONSTRATION PROJECT.—Section 4308(b)(3)(B) of the National Defense Authorization Act for Fiscal Year 1996 (10 U.S.C. 1701 note) is amended by striking ''3-year period beginning on the date of the enactment of the National Defense Authorization Act for Fiscal Year 1998'' and inserting ''period beginning on November 18, 1997, and ending on November 17, 2003''.

(d) MORATORIUM ON REDUCTION OF DEFENSE ACQUISITION WORKFORCE.—(1) Notwithstanding any other provision of law, the defense acquisition and support workforce may not be reduced, during fiscal years 2001, 2002, and 2003, below the level of that workforce as of September 30, 2000, determined on the basis of full-time equivalent positions.

(2) The Secretary of Defense may waive the prohibition in paragraph (1) and reduce the level of the defense acquisition and support workforce upon submitting to Congress the Secretary's certification that the defense acquisition and support workforce, at the level to which reduced, will be able efficiently and effectively to perform the workloads that are required of that workforce consistent with the cost-effective management of the defense acquisition system to obtain best value equipment and with ensuring military readiness.

(e) DEFENSE ACQUISITION AND SUPPORT WORKFORCE DEFINED.—In this section, the term ''defense acquisition and support workforce'' means Armed Forces and civilian personnel who are assigned to, or are employed in, an organization of the Department of Defense that is—

(1) an acquisition organization specified in Department of Defense Instruction 5000.58, dated January 14, 1992; or

(2) an organization not so specified that has acquisition as its predominant mission, as determined by the Secretary of Defense.

SEC. 813. FINANCIAL ANALYSIS OF USE OF DUAL RATES FOR QUANTIFYING OVERHEAD COSTS AT ARMY INDUSTRIAL FACILITIES.

(a) REQUIREMENT FOR ANALYSIS.—The Secretary of the Army shall carry out a financial analysis of the costs that would be incurred and the benefits that would be derived from the implementation of a policy to use—

(1) one set of rates for quantifying the overhead costs associated with government-owned industrial facilities of the Department of the Army when allocating those costs to contractors operating the facilities; and

(2) another set of rates for quantifying the overhead costs to be allocated to the operation of such facilities by employees of the United States.

(b) REPORT.—Not later than February 15, 2001, the Secretary shall submit to the congressional defense committees a report on the results of the analysis carried out under subsection (a). The report shall include the following:

(1) The costs and benefits identified in the analysis under subsection (a).

(2) The risks to the United States of implementing a dual rates policy described in subsection (a).

(3) The effects that a use of dual rates under such a policy would have on the defense industrial base of the United States.

SEC. 814. REVISION OF THE ORGANIZATION AND AUTHORITY OF THE COST ACCOUNTING STANDARDS BOARD.

(a) ESTABLISHMENT WITHIN OMB.—Paragraph (1) of subsection (a) of section 26 of the Office of Federal Procurement Policy Act (41 U.S.C. 422) is amended by striking ''Office of Federal Procurement Policy'' in the first sentence and inserting ''Office of Management and Budget''.

(b) COMPOSITION OF BOARD.—Subsection (a) of such section is further amended—

(1) by striking the second sentence of paragraph (1);

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following new paragraph (2):

''(2) The Board shall consist of five members appointed as follows:

''(A) A Chairman, appointed by the Director of the Office of Management and Budget, from among persons who are knowledgeable in cost accounting matters for Federal Government contracts.

''(B) One member, appointed by the Secretary of Defense, from among Department of Defense personnel.

''(C) One member, appointed by the Administrator, from among employees of executive agencies other than the Department of Defense, with the concurrence of the head of the executive agency concerned.

''(D) One member, appointed by the Chairman from among persons (other than officers and employees of the United States) who are in the accounting or accounting education profession.

''(E) One member, appointed by the Chairman from among persons in industry.''.

(c) TERM OF OFFICE.—Paragraph (3) of such subsection, as redesignated by subsection (b)(2), is amended—

(1) in subparagraph (A)—

(A) by striking '', other than the Administrator for Federal Procurement Policy,'';

(B) by striking clause (i);

(C) by redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively; and

(D) in clause (ii), as so redesignated, by striking ''individual who is appointed under paragraph (1)(A)'' and inserting ''officer or employee of the Federal Government who is appointed as a member under paragraph (2)''; and

(2) by striking subparagraph (C).

(d) OTHER BOARD PERSONNEL.—(1) Subsection (b) of such section is amended to read as follows:

''(b) SENIOR STAFF.—The Chairman, after consultation with the Board, may appoint an executive secretary and two additional staff members without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and in senior-level positions. The Chairman may pay such employees without regard to the provisions of chapter 51 (relating to classification of positions), and subchapter III of chapter 53 of such title and section 5376 of such title (relating to the rates of basic pay under the General Schedule and for senior-level positions, respectively), except that no individual so appointed may receive pay in excess of the maximum rate of basic pay payable for a senior-level position under such section 5376.''.

(2) Subsections (c) and (d)(2), and the third sentence of subsection (e), of such section are amended by striking ''Administrator'' and inserting ''Chairman''.

(e) COST ACCOUNTING STANDARDS AUTHORITY.—(1) Paragraph (1) of subsection (f) of such section is amended by inserting '', subject to direction of the Director of the Office of Management and Budget,'' after ''exclusive authority''.

(2) Paragraph (2)(B)(iv) of such subsection is amended by striking ''more than $7,500,000'' and inserting ''$7,500,000 or more''.

(3) Paragraph (3) of such subsection is amended, in the first sentence—

(A) by striking ''Administrator, after consultation with the Board'' and inserting ''Chairman, with the concurrence of a majority of the members of the Board''; and

(B) by inserting before the period at the end the following: '', including rules and procedures for the public conduct of meetings of the Board''.

(4) Paragraph (5)(C) of such subsection is amended to read as follows:

''(C) The head of an executive agency may not delegate the authority under subparagraph (A) or (B) to any official in the executive agency below a level in the executive agency as follows:

''(i) The senior policymaking level, except as provided in clause (ii).

''(ii) The head of a procuring activity, in the case of a firm, fixed price contract or subcontract for which the requirement to obtain cost or pricing data under subsection (a) of section 2306a of title 10, United States Code, or subsection (a) of section 304A of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254b) is waived under subsection (b)(1)(C) of such section, respectively.''.

(5) Paragraph (5)(E) of such subsection is amended by inserting before the period at the end the following: ''in accordance with requirements prescribed by the Board''.

(f) REQUIREMENTS FOR STANDARDS.—(1) Subsection (g)(1)(B) of section 26 of the Office of Federal Procurement Policy Act is amended by inserting before the semicolon at the end the following: '', together with a solicitation of comments on those issues''.

(g) INTEREST RATE APPLICABLE TO CONTRACT PRICE ADJUSTMENTS.—Subsection (h)(4) of such section is amended by inserting ''(a)(2)'' after ''6621'' both places that it appears.

(h) REPEAL OF REQUIREMENT FOR ANNUAL REPORT.—Such section is further amended by striking subsection (i).

(i) EFFECTS OF BOARD INTERPRETATIONS AND REGULATIONS.—Subsection (j) of such section is amended—

(1) in paragraph (1), by striking ''promulgated by the Cost Accounting Standards Board under section 719 of the Defense Production Act of 1950 (50 U.S.C. App. 2168)'' and inserting ''that are in effect on the date of the enactment of the National Defense Authorization Act for Fiscal Year 2001''; and

(2) in paragraph (3), by striking ''under the authority set forth in section 6 of this Act'' and inserting ''exercising the authority provided in section 6 of this Act in consultation with the Chairman''.

(j) RATE OF PAY FOR CHAIRMAN.—Section 5315 of title 5, United States Code, is amended by adding at the end the following:

''Chairman, Cost Accounting Standards Board.''.

(k) TRANSITION PROVISION FOR MEMBERS.—Each member of the Cost Accounting Standards

Board who serves on the Board under paragraph (1) of section 26(a) of the Office of Federal Procurement Policy Act, as in effect on the day before the date of the enactment of this Act, shall continue to serve as a member of the Board until the earlier of—

(1) the expiration of the term for which the member was so appointed; or

(2) the date on which a successor to such member is appointed under paragraph (2) of such section 26(a), as amended by subsection (b) of this section.

SEC. 815. REVISION OF AUTHORITY FOR SOLUTIONS-BASED CONTRACTING PILOT PROGRAM.

(a) PILOT PROJECTS UNDER THE PROGRAM.—Section 5312 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1492) is amended—

(1) in subsection (a), by striking ''subsection (d)(2)'' and inserting ''subsection (d)''; and

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

''(d) PILOT PROGRAM PROJECTS.—The Administrator shall authorize to be carried out under the pilot program—

''(1) not more than 10 projects, each of which has an estimated cost of at least $25,000,000 and not more than $100,000,000; and

''(2) not more than 10 projects for small business concerns, each of which has an estimated cost of at least $1,000,000 and not more than $5,000,000.''.

(b) ELIMINATION OF REQUIREMENT FOR FEDERAL FUNDING OF PROGRAM DEFINITION PHASE.—Subsection (c)(9)(B) of such section is amended by striking ''program definition phase (funded, in the case of the source ultimately awarded the contract, by the Federal Government)—'' and inserting ''program definition phase—''.

SEC. 816. APPROPRIATE USE OF PERSONNEL EXPERIENCE AND EDUCATIONAL REQUIREMENTS IN THE PROCUREMENT OF INFORMATION TECHNOLOGY SERVICES.

(a) AMENDMENT OF THE FEDERAL ACQUISITION REGULATION.—Not later than 180 days after the date of the enactment of this Act, the Federal Acquisition Regulation issued in accordance with sections 6 and 25 of the Office of Federal Procurement Policy Act (41 U.S.C. 405 and 421) shall be amended to address the use of personnel experience and educational requirements in the procurement of information technology services.

(b) CONTENT OF AMENDMENT.—The amendment issued pursuant to subsection (a) shall—

(1) provide that a solicitation of bids on a performance-based contract for the procurement of information technology services may not set forth any minimum experience or educational requirement for contractor personnel that a bidder must satisfy in order to be eligible for award of the contract; and

(2) specify—

(A) the circumstances under which a solicitation of bids for other contracts for the procurement of information technology services may set forth any such minimum requirement for that purpose; and

(B) the circumstances under which a solicitation of bids for other contracts for the procurement of information technology services may not set forth any such minimum requirement for that purpose.

(c) CONSTRUCTION OF REGULATION.—The amendment issued pursuant to subsection (a) shall include a rule of construction that a prohibition included in the amendment under paragraph (1) or (2)(B) does not prohibit the consideration of the experience and educational levels of the personnel of bidders in the selection of a bidder to be awarded a contract.

(d) GAO REPORT.—Not later than 1 year after the date on which the regulations required by subsection (a) are published in the Federal Register, the Comptroller General shall submit to Congress an evaluation of—

(1) executive agency compliance with the regulations; and

(2) conformity of the regulations with existing law, together with any recommendations that the Comptroller General considers appropriate.

(e) DEFINITIONS.—In this section:

(1) The term ''executive agency'' has the meaning given that term in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403).

(2) The term ''performance-based contract'' means a contract that includes performance work statements setting forth contract requirements in clear, specific, and objective terms with measurable outcomes.

(3) The term ''information technology'' has the meaning given that term in section 5002 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401).

SEC. 817. STUDY OF OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A–76 PROCESS.

(a) GAO-CONVENED PANEL.—The Comptroller General shall convene a panel of experts to study rules, and the administration of the rules, governing the selection of sources for the performance of commercial or industrial functions for the Federal Government from between public and private sector sources, including public-private competitions pursuant to the Office of Management and Budget Circular A–76. The Comptroller General shall be the chairman of the panel.

(b) COMPOSITION OF PANEL.—(1) The Comptroller General shall appoint highly qualified and knowledgeable persons to serve on the panel and shall ensure that the following groups receive fair representation on the panel:

(A) Officers and employees of the United States.

(B) Persons in private industry.

(C) Federal labor organizations.

(2) For the purposes of the requirement for fair representation under paragraph (1), persons serving on the panel under subparagraph (C) of that paragraph shall not be counted as persons serving on the panel under subparagraph (A) or (B) of that paragraph.

(c) PARTICIPATION BY OTHER INTERESTED PARTIES.—The Comptroller General shall ensure that the opportunity to submit information and views on the Office of Management and Budget Circular A–76 process to the panel for the purposes of the study is accorded to all interested parties, including officers and employees of the United States not serving on the panel and entities in private industry and representatives of federal labor organizations not represented on the panel.

(d) INFORMATION FROM AGENCIES.—The panel may secure directly from any department or agency of the United States any information that the panel considers necessary to carry out a meaningful study of administration of the rules described in subsection (a), including the Office of Management and Budget Circular A–76 process. Upon the request of the Chairman of the panel, the head of such department or agency shall furnish the requested information to the panel.

(e) REPORT.—The Comptroller General shall submit a report on the results of the study to Congress.

(f) DEFINITION.—In this section, the term ''federal labor organization'' has the meaning given the term ''labor organization'' in section 7103(a)(4) of title 5, United States Code.

SEC. 818. PROCUREMENT NOTICE THROUGH ELECTRONIC ACCESS TO CONTRACTING OPPORTUNITIES.

(a) PUBLICATION BY ELECTRONIC ACCESSIBILITY.—Subsection (a) of section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416) is amended—

(1) in paragraph (1)(A), by striking ''furnish for publication by the Secretary of Commerce'' and inserting ''publish'';

(2) by striking paragraph (2) and inserting the following:

''(2)(A) A notice of solicitation required to be published under paragraph (1) may be published by means of—

''(i) electronic accessibility that meets the requirements of paragraph (7); or

''(ii) publication in the Commerce Business Daily.

''(B) The Secretary of Commerce shall promptly publish in the Commerce Business Daily each notice or announcement received under this subsection for publication by that means.''; and

(3) by adding at the end the following:

''(7) A publication of a notice of solicitation by means of electronic accessibility meets the requirements of this paragraph for electronic accessibility if the notice is electronically accessible in a form that allows convenient and universal user access through the single Government-wide point of entry designated in the Federal Acquisition Regulation.''.

(b) WAITING PERIOD FOR ISSUANCE OF SOLICITATION.—Paragraph (3) of such subsection is amended—

(1) in the matter preceding subparagraph (A), by striking ''furnish a notice to the Secretary of Commerce'' and inserting ''publish a notice of solicitation''; and

(2) in subparagraph (A), by striking ''by the Secretary of Commerce''.

(c) CONFORMING AMENDMENTS FOR SMALL BUSINESS ACT.—Subsection (e) of section 8 of the Small Business Act (15 U.S.C. 637) is amended—

(1) in paragraph (1)(A), by striking ''furnish for publication by the Secretary of Commerce'' and inserting ''publish'';

(2) by striking paragraph (2) and inserting the following:

''(2)(A) A notice of solicitation required to be published under paragraph (1) may be published by means of—

''(i) electronic accessibility that meets the requirements of section 18(a)(7) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(a)(7)); or

''(ii) publication in the Commerce Business Daily.

''(B) The Secretary of Commerce shall promptly publish in the Commerce Business Daily each notice or announcement received under this subsection for publication by that means.''; and

(3) in paragraph (3)—

(A) in the matter preceding subparagraph (A), by striking ''furnish a notice to the Secretary of Commerce'' and inserting ''publish a notice of solicitation''; and

(B) in subparagraph (A), by striking ''by the Secretary of Commerce''.

(d) PERIODIC REPORTS ON IMPLEMENTATION OF ELECTRONIC COMMERCE IN FEDERAL PROCUREMENT.—Section 30(e) of the Office of Federal Procurement Policy Act (41 U.S.C. 426(e)) is amended—

(1) in the first sentence, by striking ''Not later than March 1, 1998, and every year afterward through 2003'' and inserting ''Not later than March 1 of each even-numbered year through 2004''; and

(2) in paragraph (4)—

(A) by striking ''Beginning with the report submitted on March 1, 1999,''; and

(B) by striking ''calendar year'' and inserting ''two fiscal years''.

(e) EFFECTIVE DATE AND APPLICABILITY.—This section and the amendments made by this section shall take effect on October 1, 2000. The amendments made by subsections (a), (b) and (c) shall apply with respect to solicitations issued on or after that date.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

SEC. 901. REPEAL OF LIMITATION ON MAJOR DEPARTMENT OF DEFENSE HEADQUARTERS ACTIVITIES PERSONNEL.

(a) REPEAL OF LIMITATION.—(1) Section 130a of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 3 of such title is amended by striking the item relating to section 130a.

(b) REPEAL OF ASSOCIATED REPORTING REQUIREMENT.—Section 921(b) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 723) is repealed.

SEC. 902. OVERALL SUPERVISION OF DEPARTMENT OF DEFENSE ACTIVITIES FOR COMBATING TERRORISM.

Section 138(b)(4) of title 10, United States Code, is amended to read as follows:

''(4)(A) One of the Assistant Secretaries shall be the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict.

''(B) The Assistant Secretary shall have the following duties:

''(i) As the principal duty, to provide overall supervision (including oversight of policy and resources) of special operations activities (as defined in section 167(j) of this title) and low intensity conflict activities of the Department of Defense.

''(ii) To provide overall direction and supervision for policy, program planning and execution, and allocation and use of resources for the activities of the Department of Defense for combating terrorism, including antiterrorism activities, counterterrorism activities, terrorism consequences management activities, and terrorism-related intelligence support activities.

''(C) The Assistant Secretary is the principal civilian adviser to the Secretary of Defense on, and is the principal official within the senior management of the Department of Defense (after the Secretary and Deputy Secretary) responsible for, the following matters:

''(i) Special operations and low intensity conflict.

''(ii) Combating terrorism.''.

SEC. 903. NATIONAL DEFENSE PANEL 2001.

(a) ESTABLISHMENT.—Not later than March 1, 2001, the Secretary of Defense shall establish a nonpartisan, independent panel to be known as the National Defense Panel 2001. The Panel shall have the duties set forth in this section.

(b) MEMBERSHIP AND CHAIRMAN.—(1) The Panel shall be composed of nine members appointed from among persons in the private sector who are recognized experts in matters relating to the national security of the United States, as follows:

(A) Three members appointed by the Secretary of Defense.

(B) Three members appointed by the Chairman of the Committee on Armed Services of the Senate, in consultation with the ranking member of the committee.

(C) Three members appointed by the Chairman of the Committee on Armed Services of the House of Representatives, in consultation with the ranking member of the committee.

(2) The Secretary of Defense, in consultation with the chairmen and ranking members of the Committees on Armed Services of the Senate and the House of Representatives, shall designate one of the members to serve as the chairman of the Panel.

(c) DUTIES.—(1) The Panel shall—

(A) assess the matters referred to in paragraph (2);

(B) assess the current and projected strategic environment, together with the progress made by the Armed Forces in transforming to meet that environment;

(C) identify the most dangerous threats to the national security interests of the United States that are to be countered by the United States in the ensuing 10 years and those that are to be encountered in the ensuing 20 years;

(D) identify the strategic and operational challenges for the Armed Forces to address in order to prepare to counter the threats identified under subparagraph (C);

(E) develop—

(i) a recommendation on the priority that should be accorded to each of the strategic and operational challenges identified under subparagraph (D); and

(ii) a recommendation on the priority that should be accorded to the development of each joint capability needed to meet each such challenge; and

(F) identify the issues that the Panel recommends for assessment during the next quadrennial review to be conducted under section 118 of title 10, United States Code.

(2) The matters to be assessed under paragraph (1)(A) are the defense strategy, force structure, force modernization plans, infrastructure, budget plan, and other elements of the defense program and policies established since the quadrennial defense review conducted in 1996.

(3) The Panel shall conduct the assessments under paragraph (1) with a view toward recommending—

(A) the most critical changes that should be made to the defense strategy of the United States for the ensuing 10 years and the most critical changes that should be made to the defense strategy of the United States for the ensuing 20 years; and

(B) any changes considered appropriate by the Panel regarding the major weapon systems programmed for the force, including any alternatives to those weapon systems.

(d) REPORT.—(1) The Panel shall submit to the Secretary of Defense and to the Committees on Armed Services of the Senate and the House of Representatives two reports on the assessment, including a discussion of the Panel's activities, the findings and recommendations of the Panel, and any recommendations for legislation that the Panel considers appropriate, as follows:

(A) An interim report not later than July 1, 2001.

(B) A final report not later than December 1, 2001.

(2) Not later than December 15, 2001, the Secretary shall transmit to the committees referred to in paragraph (1) the Secretary's comments on the final report submitted to the committees under subparagraph (B) of that paragraph.

(e) INFORMATION FROM FEDERAL AGENCIES.—The Panel may secure directly from the Department of Defense and any of its components and from any other department and agency of the United States such information as the Panel considers necessary to carry out its duties under this section. The head of the department or agency concerned shall ensure that information requested by the Panel under this subsection is promptly provided.

(f) PERSONNEL MATTERS.—(1) Each member of the Panel shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the Panel.

(2) The members of the Panel shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Panel.

(3)(A) The chairman of the Panel may, without regard to the civil service laws and regulations, appoint and terminate an executive director and a staff if the Panel determines that an executive director and staff are necessary in order for the Panel to perform its duties effectively. The employment of an executive director shall be subject to confirmation by the Panel.

(B) The chairman may fix the compensation of the executive director without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(4) Any employee of the United States may be detailed to the Panel without reimbursement of the employee's agency, and such detail shall be without interruption or loss of civil service status or privilege. The Secretary shall ensure that sufficient personnel are detailed to the Panel to enable the Panel to carry out its duties effectively.

(5) To the maximum extent practicable, the members and employees of the Panel shall travel on military aircraft, military ships, military vehicles, or other military conveyances when travel is necessary in the performance of a duty of the Panel, except that no such aircraft, ship, vehicle, or other conveyance may be scheduled primarily for the transportation of any such member or employee when the cost of commercial transportation is less expensive.

(g) ADMINISTRATIVE PROVISIONS.—(1) The Panel may use the United States mails and obtain printing and binding services in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(2) The Secretary shall furnish the Panel any administrative and support services requested by the Panel.

(3) The Panel may accept, use, and dispose of gifts or donations of services or property.

(h) PAYMENT OF PANEL EXPENSES.—The compensation, travel expenses, and per diem allowances of members and employees of the Panel shall be paid out of funds available to the Department of Defense for the payment of compensation, travel allowances, and per diem allowances, respectively, of civilian employees of the Department. The other expenses of the Panel shall be paid out of funds available to the Department for the payment of similar expenses incurred by the Department.

(i) TERMINATION.—The Panel shall terminate at the end of the year following the year in which the Panel submits its final report under subsection (d)(1)(B). For the period that begins 90 days after the date of submittal of the report, the activities and staff of the panel shall be reduced to a level that the Secretary of Defense considers sufficient to continue the availability of the panel for consultation with the Secretary of Defense and with the Committees on Armed Services of the Senate and the House of Representatives.

SEC. 904. QUADRENNIAL NATIONAL DEFENSE PANEL.

(a) NATIONAL DEFENSE PANEL.—(1) Chapter 7 of title 10, United States Code, is amended by adding at the end the following:

''§ 184. National Defense Panel

''(a) ESTABLISHMENT.—Not later than January 1 of each year immediately preceding a year in which a President is to be inaugurated, the Secretary of Defense shall establish a nonpartisan, independent panel to be known as the National Defense Panel. The Panel shall have the duties set forth in this section.

''(b) MEMBERSHIP AND CHAIRMAN.—(1) The Panel shall be composed of nine members appointed from among persons in the private sector who are recognized experts in matters relating to the national security of the United States, as follows:

''(A) Three members appointed by the Secretary of Defense.

''(B) Three members appointed by the Chairman of the Committee on Armed Services of the Senate, in consultation with the ranking member of the committee.

''(C) Three members appointed by the Chairman of the Committee on Armed Services of the House of Representatives, in consultation with the ranking member of the committee.

''(2) The Secretary of Defense, in consultation with the chairmen and ranking members of the Committees on Armed Services of the Senate and the House of Representatives, shall designate one of the members to serve as the chairman of the Panel

''(c) DUTIES.—(1) The Panel shall—

''(A) assess the matters referred to in paragraph (2);

''(B) assess the current and projected strategic environment, together with the progress made by the armed forces in transforming to meet the environment;

''(C) identify the most dangerous threats to the national security interests of the United

States that are to be countered by the United States in the ensuing 10 years and those that are to be encountered in the ensuing 20 years;

''(D) identify the strategic and operational challenges for the armed forces to address in order to prepare to counter the threats identified under subparagraph (C);

''(E) develop—

''(i) a recommendation on the priority that should be accorded to each of the strategic and operational challenges identified under subparagraph (D); and

''(ii) a recommendation on the priority that should be accorded to the development of each joint capability needed to meet each such challenge; and

''(F) identify the issues that the Panel recommends for assessment during the next quadrennial review to be conducted under section 118 of this title.

''(2) The matters to be assessed under paragraph (1)(A) are the defense strategy, force structure, force modernization plans, infrastructure, budget plan, and other elements of the defense program and policies established since the previous quadrennial defense review under section 118 of this title.

''(3) The Panel shall conduct the assessments under paragraph (1) with a view toward recommending—

''(A) the most critical changes that should be made to the defense strategy of the United States for the ensuing 10 years and the most critical changes that should be made to the defense strategy of the United States for the ensuing 20 years; and

''(B) any changes considered appropriate by the Panel regarding the major weapon systems programmed for the force, including any alternatives to those weapon systems.

''(d) REPORT.—(1) The Panel, in the year that it is conducting an assessment under subsection (c), shall submit to the Secretary of Defense and to the Committees on Armed Services of the Senate and the House of Representatives two reports on the assessment, including a discussion of the Panel's activities, the findings and recommendations of the Panel, and any recommendations for legislation that the Panel considers appropriate, as follows:

''(A) An interim report not later than July 1 of the year.

''(B) A final report not later than December 1 of the year.

''(2) Not later than December 15 of the year in which the Secretary receives a final report under paragraph (1)(B), the Secretary shall submit to the committees referred to in paragraph (1) the Secretary's comments on that report.

''(e) INFORMATION FROM FEDERAL AGENCIES.—The Panel may secure directly from the Department of Defense and any of its components and from any other department or agency of the United States any information that the Panel considers necessary to carry out its duties under this section. The head of that department or agency shall ensure that information requested by the Panel under this subsection is promptly provided.

''(f) PERSONNEL MATTERS.—(1) Each member of the Panel shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5 for each day (including travel time) during which the member is engaged in the performance of the duties of the Panel.

''(2) The members of the Panel shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5 while away from their homes or regular places of business in the performance of services for the Panel.

''(3)(A) The chairman of the Panel may, without regard to the civil service laws and regulations, appoint and terminate an executive director and a staff if the Panel determines that an executive director and staff are necessary in order for the Panel to perform its duties effectively. The employment of an executive director shall be subject to confirmation by the Panel.

''(B) The chairman may fix the compensation of the executive director without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5 relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

''(4) Any Federal Government employee may be detailed to the Panel without reimbursement of the employee's agency, and such detail shall be without interruption or loss of civil service status or privilege. The Secretary shall ensure that sufficient personnel are detailed to the Panel to enable the Panel to carry out its duties effectively.

''(5) To the maximum extent practicable, the members and employees of the Panel shall travel on military aircraft, military ships, military vehicles, or other military conveyances when travel is necessary in the performance of a duty of the Panel, except that no such aircraft, ship, vehicle, or other conveyance may be scheduled primarily for the transportation of any such member or employee when the cost of commercial transportation is less expensive.

''(g) ADMINISTRATIVE PROVISIONS.—(1) The Panel may use the United States mails and obtain printing and binding services in the same manner and under the same conditions as other departments and agencies of the Federal Government.

''(2) The Secretary shall furnish the Panel any administrative and support services requested by the Panel.

''(3) The Panel may accept, use, and dispose of gifts or donations of services or property.

''(h) PAYMENT OF PANEL EXPENSES.—The compensation, travel expenses, and per diem allowances of members and employees of the Panel shall be paid out of funds available to the Department of Defense for the payment of compensation, travel allowances, and per diem allowances, respectively, of civilian employees of the Department. The other expenses of the Panel shall be paid out of funds available to the Department for the payment of similar expenses incurred by the Department.

''(i) TERMINATION.—The Panel shall terminate at the end of the year following the year in which the Panel submits its final report under subsection (d)(1)(B). For the period that begins 90 days after the date of submittal of the report, the activities and staff of the panel shall be reduced to a level that the Secretary of Defense considers sufficient to continue the availability of the Panel for consultation with the Secretary of Defense and with the Committees on Armed Services of the Senate and the House of Representatives.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

''184. National Defense Panel.''.

(b) FIRST PANEL TO BE ESTABLISHED IN 2004.—The first National Defense Panel under section 184 of title 10, United States Code (as added by subsection (a)), shall be established in 2004.

SEC. 905. INSPECTOR GENERAL INVESTIGATIONS OF PROHIBITED PERSONNEL ACTIONS.

(a) STANDARDS AND PROCEDURES FOR PRELIMINARY DETERMINATIONS.—Subsection (c)(3)(A) of section 1034 of title 10, United States Code, is amended by inserting '', in accordance with regulations prescribed under subsection (h),'' after ''shall expeditiously determine''.

(b) DEFINITION OF INSPECTOR GENERAL.—Subsection (i)(2) of such section is amended by adding at the end the following:

''(H) An officer of the armed forces or employee of the Department of Defense, not referred to in any other subparagraph of this paragraph, who is assigned or detailed to serve as an Inspector General at any level in the Department of Defense.''.

SEC. 906. NETWORK CENTRIC WARFARE.

(a) GOAL.—It shall be a goal of the Department of Defense to fully coordinate the network centric warfare efforts being pursued by the Joint Chiefs of Staff, the Defense Agencies, and the military departments so that (1) the concepts, procedures, training, and technology development resulting from those efforts lead to an integrated information network, and (2) a coherent concept for enabling information dominance in joint military operations can be formulated.

(b) REPORT ON IMPLEMENTATION OF NETWORK CENTRIC WARFARE PRINCIPLES.—(1) The Secretary of Defense, in consultation with the Chairman of the Joint Chiefs of Staff, shall submit to the congressional defense committees a report on the development and implementation of network centric warfare concepts in the Department of Defense.

(2) The report shall contain the following:

(A) A clear definition and terminology to describe the set of operational concepts referred to as network centric warfare.

(B) An identification and description of current, planned, and needed activities by the Office of the Secretary of Defense, the Joint Chiefs of Staff, and the United States Joint Forces Command to coordinate the development of doctrine and the definition of requirements and to ensure that those activities are consistent with the concepts of network centric warfare and information superiority that are articulated in Joint Vision 2010 issued by the Joint Chiefs of Staff.

(C) Recommended metrics, and a process for applying and reporting such metrics, to assist the Secretary of Defense and the Chairman of the Joint Chiefs of Staff in the evaluation of the progress being made toward—

(i) the implementation of the concepts of network centric warfare and information superiority that are articulated in Joint Vision 2010; and

(ii) the attainment of a fully integrated, joint command, control, communications, computers, intelligence, surveillance, and reconnaissance capability.

(D) A recommended joint concept development and experimentation campaign for enabling the co-evolution of doctrine, organization, training, materiel, leadership, people, and facilities that are pertinent to achieving advances in command and control consistent with the concepts of network centric warfare and information superiority articulated in those vision statements.

(E) A description of the programs and initiatives underway, together with a discussion of the progress made (as determined using metrics recommended under subparagraph (C)) toward—

(i) establishing a foundation for networking the sensors, combat personnel and weapon systems, and decisionmaking nodes to ensure that there is seamless communication within each of the Armed Forces and across the Armed Forces;

(ii) achieving, within and between the Armed Forces, full situational awareness of the dispositions of friendly forces so that joint task forces can operate effectively on fast-changing battlefields with substantially reduced risk of fratricide and less restrictive control measures; and

(iii) ensuring a seamless delivery of fire on targets by the Armed Forces and allied forces, with particular attention being given in that discussion to how networking of surface and aerial fire delivery and aerial transport assets can be exploited to manage theater airspace so as to minimize the coordination steps necessary for obtaining fire clearance or aerial transit clearance.

(F) An identification of the additional powers that must be provided the officials making joint

policy for the Armed Forces in order to ensure that those officials have sufficient authority quickly to develop and implement means for supporting network centric warfare, including such means as interoperable intranets of the Armed Forces and joint and allied interoperability standards for the joint operating environment.

(G) The areas of joint authority that require greater emphasis or resource allocation.

(H) The specific organizational entities that can provide coordination for the development of network centric warfare systems and doctrine.

(I) The joint requirements under development that will lead to the acquisition of technologies for enabling the implementation and support of network centric warfare, together with—

(i) a description of how the joint requirements are modifying existing requirements and vision statements of each of the Armed Forces to better reflect the joint nature of network centric warfare;

(ii) a description of how the vision statements are being expanded to reflect the role of network centric warfare concepts in future coalition operations and operations other than war; and

(iii) an evaluation of whether there is a need to modify the milestone decision processes for all acquisition programs that directly affect joint task force interoperability and interoperability between the Armed Forces.

(J) A discussion of how the efforts within the Department of Defense to implement information superiority concepts described in Joint Vision 2010 are informed by private sector investments, and successes and failures, in implementing networking technologies that enhance distribution, inventory control, maintenance management, personnel management, knowledge management, technology development, and other relevant business areas.

(K) A discussion of how Department of Defense activities to establish a joint network centric capability—

(i) are coordinated with the Intelligence Community, the Department of Commerce, the Department of Justice, the Federal Emergency Management Agency, and other departments and agencies of the United States; and

(ii) are carried out in accordance with Presidential Decision Directive 63 and the National Plan for Information Systems Protection.

(c) STUDY ON USE OF JOINT EXPERIMENTATION FOR DEVELOPING NETWORK CENTRIC WARFARE CONCEPTS.—(1) The Secretary of Defense shall conduct a study on the present and future use of the joint experimentation program of the Department of Defense in the development of network centric warfare concepts.

(2) The Secretary shall submit to the congressional defense committees a report on the results of the study. The report shall include the following:

(A) A survey and description of how experimentation under the joint experimentation program and experimentation under the experimentation program of each of the Armed Forces are being used for evaluating emerging concepts in network centric warfare.

(B) Recommended means and mechanisms for using the results of the joint experimentation for developing new joint requirements, new joint doctrine, and new acquisition programs of the military departments and Defense Agencies with a view to achieving the objective of supporting network centric operations.

(C) Recommendations on future joint experimentation to validate and accelerate the use of network centric warfare concepts in operations involving coalition forces.

(D) Recommendations on how joint experimentation can be used to identify impediments to—

(i) the development of a joint information network; and

(ii) the seamless coordination of the intranet systems of each of the Armed Forces in operational environments.

(E) Recommendations on how joint experimentation can be used to develop concepts in revolutionary force redesign to leverage new operational concepts in network centric warfare.

(F) The levels of appropriations necessary for joint experimentation on network-related concepts.

(3) The Secretary of Defense, acting through the Chairman of the Joint Chiefs of Staff, shall designate the Commander in Chief of the United States Joint Forces Command to carry out the study and to prepare the report required under this subsection.

(d) REPORT ON SCIENCE AND TECHNOLOGY PROGRAMS TO SUPPORT NETWORK CENTRIC WARFARE CONCEPTS.—(1) The Under Secretary of Defense for Acquisition, Technology, and Logistics shall submit to the congressional defense committees a report describing the coordination of the science and technology investments of the military departments and Defense Agencies in the development of future joint network centric warfare capabilities. The Under Secretary shall consult with the Chairman of the Joint Chiefs of Staff in the preparation of the report.

(2) The report shall include the following:

(A) A discussion of the science and technology investments in the following areas:

(i) Sensors, including ground-based, air-based, sea-based, and space-based inhabited and uninhabited systems.

(ii) Seamless communications and networking protocols and technologies.

(iii) Modeling and simulation of technologies and operational concepts.

(iv) Secure and reliable information networks and databases.

(v) Computing and software technology.

(vi) Robust human-machine interfaces.

(vii) Novel training concepts for supporting network centric operations.

(B) For the areas listed in subparagraph (A)—

(i) a rationalization of the rapid pace of technological change and the influence of global developments in commercial technology; and

(ii) an explanation of how that rationalization is informing and modifying science and technology investments made by the Department of Defense.

(e) TIME FOR SUBMISSION OF REPORTS.—Each report required under this section shall be submitted not later than March 1, 2001.

SEC. 907. ADDITIONAL DUTIES FOR THE COMMISSION TO ASSESS UNITED STATES NATIONAL SECURITY SPACE MANAGEMENT AND ORGANIZATION.

Section 1622(a) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 814; 10 U.S.C. 111 note) is amended by adding at the end the following:

''(6) The advisability of—

''(A) various actions to eliminate the requirement for specified officers in the United States Space Command to be flight rated that results from the dual assignment of such officers to that command and to one or more other commands for which the officers are expressly required to be flight rated;

''(B) the establishment of a requirement that all new general or flag officers of the United States Space Command have experience in space, missile, or information operations that is either acquisition experience or operational experience; and

''(C) rotating the command of the United States Space Command among the Armed Forces.''.

SEC. 908. SPECIAL AUTHORITY FOR ADMINISTRATION OF NAVY FISHER HOUSES.

(a) BASE OPERATING SUPPORT.—Section 2493 of title 10, United States Code, is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following new subsection (f):

''(f) SPECIAL AUTHORITY FOR NAVY.—The Secretary of the Navy shall provide base operating support for Fisher Houses associated with health care facilities of the Navy. The level of the support shall be equivalent to the base operating support that the Secretary provides for morale, welfare, and recreation category B community activities (as defined in regulations, prescribed by the Secretary, that govern morale, welfare, and recreation activities associated with Navy installations).''.

(b) SAVINGS PROVISIONS FOR CERTAIN NAVY EMPLOYEES.—(1) The Secretary of the Navy may continue to employ, and pay out of appropriated funds, any employee of the Navy in the competitive service who, as of October 17, 1998, was employed by the Navy in a position at a Fisher House administered by the Navy, but only for so long as the employee is continuously employed in that position.

(2) After a person vacates a position in which the person was continued to be employed under the authority of paragraph (1), a person employed in that position shall be employed as an employee of a nonappropriated fund instrumentality of the United States and may not be paid for services in that position out of appropriated funds.

(3) In this subsection:

(A) The term ''Fisher House'' has the meaning given the term in section 2493(a)(1) of title 10, United States Code.

(B) The term ''competitive service'' has the meaning given the term in section 2102 of title 5, United States Code.

(c) EFFECTIVE DATE.—(1) The amendments made by subsection (a) shall be effective as of October 17, 1998, as if included in section 2493 of title 10, United States Code, as enacted by section 906(a) of Public Law 105–261.

(2) Subsection (b) applies with respect to the pay period that includes October 17, 1998, and subsequent pay periods.

SEC. 909. ORGANIZATION AND MANAGEMENT OF THE CIVIL AIR PATROL.

(a) IN GENERAL.—Chapter 909 of title 10, United States Code, is amended to read as follow:

''CHAPTER 909—CIVIL AIR PATROL

''Sec.
''9441. Status as federally chartered corporation; purposes.
''9442. Status as volunteer civilian auxiliary of the Air Force.
''9443. Activities not performed as auxiliary of the Air Force.
''9444. Activities performed as auxiliary of the Air Force.
''9445. Funds appropriated for the Civil Air Patrol.
''9446. Miscellaneous personnel authorities.
''9447. Board of Governors.
''9448. Regulations.

''§ 9441. Status as federally chartered corporation; purposes

''(a) STATUS.—(1) The Civil Air Patrol is a nonprofit corporation that is federally chartered under section 40301 of title 36.

''(2) Except as provided in section 9442(b)(2) of this title, the Civil Air Patrol is not an instrumentality of the Federal Government for any purpose.

''(b) PURPOSES.—The purposes of the Civil Air Patrol are set forth in section 40302 of title 36.

''§ 9442. Status as volunteer civilian auxiliary of the Air Force

''(a) VOLUNTEER CIVILIAN AUXILIARY.—The Civil Air Patrol is a volunteer civilian auxiliary of the Air Force when the services of the Civil Air Patrol are used by any department or agency in any branch of the Federal Government.

''(b) USE BY AIR FORCE.—(1) The Secretary of the Air Force may use the services of the Civil Air Patrol to fulfill the noncombat programs and missions of the Department of the Air Force.

''(2) The Civil Air Patrol shall be deemed to be an instrumentality of the United States with respect to any act or omission of the Civil Air Patrol, including any member of the Civil Air Patrol, in carrying out a mission assigned by the Secretary of the Air Force.

"§ 9443. Activities not performed as auxiliary of the Air Force

''(a) SUPPORT FOR STATE AND LOCAL AUTHORITIES.—The Civil Air Patrol may, in its status as a federally chartered nonprofit corporation and not as an auxiliary of the Air Force, provide assistance requested by State or local governmental authorities to perform disaster relief missions and activities, other emergency missions and activities, and nonemergency missions and activities. Missions and activities carried out under this section shall be consistent with the purposes of the Civil Air Patrol.

''(b) USE OF FEDERALLY PROVIDED RESOURCES.—(1) To perform any mission or activity authorized under subsection (a), the Civil Air Patrol may use any equipment, supplies, and other resources provided to it by the Air Force or by any other department or agency of the Federal Government or acquired by or for the Civil Air Patrol with appropriated funds, without regard to whether the Civil Air Patrol has reimbursed the Federal Government source for the equipment, supplies, other resources, or funds, as the case may be.

''(2) The use of equipment, supplies, or other resources under paragraph (1) is subject to—

''(A) the terms and conditions of the applicable agreement entered into under chapter 63 of title 31; and

''(B) the laws and regulations that govern the use by nonprofit corporations of federally provided assets or of assets purchased with appropriated funds, as the case may be.

''(c) AUTHORITY NOT CONTINGENT ON REIMBURSEMENT.—The authority for the Civil Air Patrol to provide assistance under this section is not contingent on the Civil Air Patrol being reimbursed for the cost of providing the assistance. If the Civil Air Patrol requires reimbursement for the provision of any such assistance, the Civil Air Patrol may establish the reimbursement rate for the assistance at a rate less than the rate charged by private sector sources for equivalent services.

''(d) LIABILITY INSURANCE.—The Secretary of the Air Force may provide the Civil Air Patrol with funds for paying the cost of liability insurance for missions and activities carried out under this section.

"§ 9444. Activities performed as auxiliary of the Air Force

''(a) AIR FORCE SUPPORT FOR ACTIVITIES.—The Secretary of the Air Force may furnish to the Civil Air Patrol in accordance with this section any equipment, supplies, and other resources that the Secretary determines necessary to enable the Civil Air Patrol to fulfill the missions assigned by the Secretary to the Civil Air Patrol as an auxiliary of the Air Force.

''(b) FORMS OF AIR FORCE SUPPORT.—The Secretary of the Air Force may, under subsection (a)—

''(1) give, lend, or sell to the Civil Air Patrol without regard to the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.)—

''(A) major items of equipment (including aircraft, motor vehicles, computers, and communications equipment) that are excess to the military departments; and

''(B) necessary related supplies and training aids that are excess to the military departments;

''(2) permit the use, with or without charge, of services and facilities of the Air Force;

''(3) furnish supplies (including fuel, lubricants, and other items required for vehicle and aircraft operations) or provide funds for the acquisition of supplies;

''(4) establish, maintain, and supply liaison officers of the Air Force at the national, regional, State, and territorial headquarters of the Civil Air Patrol;

''(5) detail or assign any member of the Air Force or any officer, employee, or contractor of the Department of the Air Force to any liaison office at the national, regional, State, or territorial headquarters of the Civil Air Patrol;

''(6) detail any member of the Air Force or any officer, employee, or contractor of the Department of the Air Force to any unit or installation of the Civil Air Patrol to assist in the training programs of the Civil Air Patrol;

''(7) authorize the payment of travel expenses and allowances, at rates not to exceed those paid to employees of the Federal Government under subchapter I of chapter 57 of title 5, to members of the Civil Air Patrol while the members are carrying out programs or missions specifically assigned by the Air Force;

''(8) provide funds for the national headquarters of the Civil Air Patrol, including—

''(A) funds for the payment of staff compensation and benefits, administrative expenses, travel, per diem and allowances, rent, utilities, other operational expenses of the national headquarters; and

''(B) to the extent considered necessary by the Secretary of the Air Force to fulfill Air Force requirements, funds for the payment of compensation and benefits for key staff at regional, State, or territorial headquarters;

''(9) authorize the payment of expenses of placing into serviceable condition, improving, and maintaining equipment (including aircraft, motor vehicles, computers, and communications equipment) owned or leased by the Civil Air Patrol;

''(10) provide funds for the lease or purchase of items of equipment that the Secretary determines necessary for the Civil Air Patrol;

''(11) support the Civil Air Patrol cadet program by furnishing—

''(A) articles of the Air Force uniform to cadets without cost; and

''(B) any other support that the Secretary of the Air Force determines is consistent with Air Force missions and objectives; and

''(12) provide support, including appropriated funds, for the Civil Air Patrol aerospace education program to the extent that the Secretary of the Air Force determines appropriate for furthering the fulfillment of Air Force missions and objectives.

''(c) ASSISTANCE BY OTHER AGENCIES.—(1) The Secretary of the Air Force may arrange for the use by the Civil Air Patrol of such facilities and services under the jurisdiction of the Secretary of the Army, the Secretary of the Navy, or the head of any other department or agency of the United States as the Secretary of the Air Force considers to be needed by the Civil Air Patrol to carry out its mission.

''(2) An arrangement for use of facilities or services of a military department or other department or agency under this subsection shall be subject to the agreement of the Secretary of the military department or head of the other department or agency, as the case may be.

''(3) Each arrangement under this subsection shall be made in accordance with regulations prescribed under section 9448 of this title.

"§ 9445. Funds appropriated for the Civil Air Patrol

''Funds appropriated for the Civil Air Patrol shall be available only for the exclusive use of the Civil Air Patrol.

"§ 9446. Miscellaneous personnel authorities

''(a) USE OF RETIRED AIR FORCE PERSONNEL.—(1) Upon the request of a person retired from service in the Air Force, the Secretary of the Air Force may enter into a personal services contract with that person providing for the person to serve as an administrator or liaison officer for the Civil Air Patrol. The qualifications of a person to provide the services shall be determined and approved in accordance with regulations prescribed under section 9448 of this title.

''(2) To the extent provided in a contract under paragraph (1), a person providing services under the contract may accept services on behalf of the Air Force.

''(3) A person, while providing services under a contract authorized under paragraph (1), may not be considered to be on active duty or inactive-duty training for any purpose.

''(b) USE OF CIVIL AIR PATROL CHAPLAINS.—The Secretary of the Air Force may use the services of Civil Air Patrol chaplains in support of the Air Force active duty and reserve component forces to the extent and under conditions that the Secretary determines appropriate.

"§ 9447. Board of Governors

''(a) GOVERNING BODY.—The Board of Governors of the Civil Air Patrol is the governing body of the Civil Air Patrol.

''(b) COMPOSITION.—The Board of Governors is composed of 13 members as follows:

''(1) Four members appointed by the Secretary of the Air Force, who may be active or retired officers of the Air Force (including reserve components of the Air Force), employees of the Federal Government, or private citizens.

''(2) Four members of the Civil Air Patrol, elected from among the members of the Civil Air Patrol in the manner provided in regulations prescribed under section 9448 of this title.

''(3) Three members appointed or selected as provided in subsection (c) from among personnel of any Federal Government agencies, public corporations, nonprofit associations, and other organizations that have an interest and expertise in civil aviation and the Civil Air Patrol mission.

''(4) One member appointed by the Majority Leader of the Senate.

''(5) One member appointed by the Speaker of the House of Representatives.

''(c) APPOINTMENTS FROM INTERESTED ORGANIZATIONS.—(1) Subject to paragraph (2), the members of the Board of Governors referred to in subsection (b)(3) shall be appointed jointly by the Secretary of the Air Force and the National Commander of the Civil Air Patrol.

''(2) Any vacancy in the position of a member referred to in paragraph (1) that is not filled under that paragraph within 90 days shall be filled by majority vote of the other members of the Board.

''(d) CHAIRPERSON.—(1) The Chairperson of the Board of Governors shall be chosen by the members of the Board of Governors from among the members of the Board eligible for selection under paragraph (2) and shall serve for a term of two years.

''(2) The position of Chairperson shall be held on a rotating basis, first by a member of the Board selected from among those appointed by the Secretary of the Air Force under paragraph (1) of subsection (b) and then by a member of the Board selected from among the members elected by the Civil Air Patrol under paragraph (2) of that subsection. Upon the expiration of the term of a Chairperson selected from among the members referred to in one of those paragraphs, the selection of a successor to that position shall be made from among the members who are referred to in the other paragraph.

''(e) POWERS.—(1) The Board of Governors shall, subject to paragraphs (2) and (3), exercise the powers granted under section 40304 of title 36.

''(2) Any exercise by the Board of the power to amend the constitution or bylaws of the Civil Air Patrol or to adopt a new constitution or bylaws shall be subject to the approval of the corporate officers of the Civil Air Patrol, as those officers are defined in the constitution and bylaws of the Civil Air Patrol.

''(3) Neither the Board of Governors nor any other component of the Civil Air Patrol may modify or terminate any requirement or authority set forth in this section.

''(f) PERSONAL LIABILITY FOR BREACH OF A FIDUCIARY DUTY.—(1) The Board of Governors may, subject to paragraph (2), take such action as is necessary to limit the personal liability of a member of the Board of Governors to the Civil Air Patrol or to any of its members for monetary damages for a breach of fiduciary duty while serving as a member of the Board.

''(2) The Board may not limit the liability of a member of the Board of Governors to the Civil

Air Patrol or to any of its members for monetary damages for any of the following:

''(A) A breach of the member's duty of loyalty to the Civil Air Patrol or its members.

''(B) Any act or omission that is not in good faith or that involves intentional misconduct or a knowing violation of law.

''(C) Participation in any transaction from which the member directly or indirectly derives an improper personal benefit.

''(3) Nothing in this subsection shall be construed as rendering section 207 or 208 of title 18 inapplicable in any respect to a member of the Board of Governors who is a member of the Air Force on active duty, an officer on a retired list of the Air Force, or an employee of the Federal Government.

''(g) PERSONAL LIABILITY FOR BREACH OF A FIDUCIARY DUTY.—(1) Except as provided in paragraph (2), no member of the Board of Governors or officer of the Civil Air Patrol shall be personally liable for damages for any injury or death or loss or damage of property resulting from a tortious act or omission of an employee or member of the Civil Air Patrol.

''(2) Paragraph (1) does not apply to a member of the Board of Governors or officer of the Civil Air Patrol for a tortious act or omission in which the member or officer, as the case may be, was personally involved, whether in breach of a civil duty or in commission of a criminal offense.

''(3) Nothing in this subsection shall be construed to restrict the applicability of common law protections and rights that a member of the Board of Governors or officer of the Civil Air Patrol may have.

''(4) The protections provided under this subsection are in addition to the protections provided under subsection (f).

''§ 9448. Regulations

''(a) AUTHORITY.—The Secretary of the Air Force shall prescribe regulations for the administration of this chapter.

''(b) REQUIRED REGULATIONS.—The regulations shall include the following:

''(1) Regulations governing the conduct of the activities of the Civil Air Patrol when it is performing its duties as a volunteer civilian auxiliary of the Air Force under section 9442 of this title.

''(2) Regulations for providing support by the Air Force and for arranging assistance by other agencies under section 9444 of this title.

''(3) Regulations governing the qualifications of retired Air Force personnel to serve as an administrator or liaison officer for the Civil Air Patrol under a personal services contract entered into under section 9446(a) of this title.

''(4) Procedures and requirements for the election of members of the Board of Governors under section 9447(b)(2) of this title.

''(c) APPROVAL BY SECRETARY OF DEFENSE.—The regulations required by subsection (b)(2) shall be subject to the approval of the Secretary of Defense.''.

(b) CONFORMING AMENDMENTS.—(1) Section 40302 of title 36, United States Code, is amended—

(A) by striking ''to—'' in the matter preceding paragraph (1) and inserting ''as follows:'';

(B) by inserting ''To'' after the paragraph designation in each of paragraphs (1), (2), (3), and (4);

(C) by striking the semicolon at the end of paragraphs (1)(B) and (2) and inserting a period;

(D) by striking ''; and'' at the end of paragraph (3) and inserting a period; and

(E) by adding at the end the following:

''(5) To assist the Department of the Air Force in fulfilling its noncombat programs and missions.''.

(2)(A) Section 40303 of such title is amended—

(i) by inserting ''(a) MEMBERSHIP.—'' before ''Eligibility''; and

(ii) by adding at the end the following:

''(b) GOVERNING BODY.—The Civil Air Patrol has a Board of Governors. The composition and responsibilities of the Board of Governors are set forth in section 9447 of title 10.''.

(B) The heading for such section is amended to read as follows:

''§ 40303. Membership and governing body''.

(C) The item relating to such section in the table of sections at the beginning of chapter 403 of title 36, United States Code, is amended to read as follows:

''40303. Membership and governing body.''.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on January 1, 2001.

SEC. 910. RESPONSIBILITY FOR THE NATIONAL GUARD CHALLENGE PROGRAM.

(a) SECRETARY OF DEFENSE.—Subsection (a) of section 509 of title 32, United States Code, is amended by striking '', acting through the Chief of the National Guard Bureau,''.

(b) CLARIFICATION OF SOURCE OF FEDERAL SUPPORT.—Subsection (b) of such section is amended by striking ''Federal expenditures'' and inserting ''Department of Defense expenditures''.

(c) REGULATIONS.—Such section is further amended—

(1) by redesignating subsection (l) and subsection (m); and

(2) by inserting after subsection (k) the following new subsection (l):

''(l) REGULATIONS.—The Secretary of Defense shall prescribe regulations to carry out this section, including regulations governing the following:

''(1) Terms and conditions to be included in program agreements under subsection (c).

''(2) The eligibility requirements for participation under subsection (e).

''(3) The benefits authorized for program participants under subsection (f).

''(4) The status of National Guard personnel providing services for the program under subsection (g).

''(5) The use of equipment and facilities of the National Guard for the program under subsection (h).

''(6) The status of program participants under subsection (i).

''(7) The procedures for communicating between the Secretary of Defense and States regarding the program.''.

SEC. 911. SUPERVISORY CONTROL OF ARMED FORCES RETIREMENT HOME BOARD BY SECRETARY OF DEFENSE.

(a) BOARD AUTHORITY SUBJECT TO SECRETARY'S CONTROL.—Section 1516(a) of the Armed Forces Retirement Home Act of 1991 (Public Law 101–510; 24 U.S.C. 416(a)) is amended by inserting after the first sentence the following: ''The Board is subject to the authority, direction, and control of the Secretary of Defense in the performance of its responsibilities.''.

(b) APPOINTMENT AND TERMS OF BOARD MEMBERS.—Section 1515 of such Act (24 U.S.C. 415) is amended—

(1) in subsection (b), by adding at the end the following:

''An appointment not made by the Secretary of Defense is subject to the approval of the Secretary of Defense.'';

(2) in subsection (e)(3), by striking ''Chairman of the Retirement Home Board'' and inserting ''Secretary of Defense''; and

(3) in subsection (f), by striking ''(f) EARLY EXPIRATION OF TERM.—'' and inserting the following:

''(f) EARLY TERMINATION.—(1) The Secretary of Defense may terminate the appointment of a member of the Board at the pleasure of the Secretary.

''(2)''.

(c) RESPONSIBILITY OF CHAIRMAN TO THE SECRETARY.—Section 1515(d)(1)(B) of such Act (24 U.S.C. 415(d)(1)(B)) is amended by striking ''not be responsible to the Secretary of Defense or to the Secretaries of the military departments'' and inserting ''be responsible to the Secretary of Defense, but not to the Secretaries of the military departments,''.

SEC. 912. CONSOLIDATION OF CERTAIN NAVY GIFT FUNDS.

(a) MERGER OF NAVAL HISTORICAL CENTER FUND INTO DEPARTMENT OF THE NAVY GENERAL GIFT FUND.—(1) The Secretary of the Navy shall transfer all amounts in the Naval Historical Center Fund maintained under section 7222 of title 10, United States Code, to the Department of the Navy General Gift Fund maintained under section 2601 of such title. Upon completing the transfer, the Secretary shall close the Naval Historical Center Fund.

(2) Amounts transferred to the Department of the Navy General Gift Fund under this subsection shall be merged with other amounts in that Fund and shall be available for the purposes for which amounts in that Fund are available.

(b) CONSOLIDATION OF NAVAL ACADEMY GENERAL GIFT FUND AND NAVAL ACADEMY MUSEUM FUND.—(1) The Secretary of the Navy shall transfer all amounts in the United States Naval Academy Museum Fund established by section 6974 of title 10, United States Code, to the gift fund maintained for the benefit and use of the United States Naval Academy under section 6973 of such title. Upon completing the transfer, the Secretary shall close the United States Naval Academy Museum Fund.

(2) Amounts transferred under this subsection shall be merged with other amounts in the gift fund to which transferred and shall be available for the purposes for which amounts in that gift fund are available.

(c) CONSOLIDATION AND REVISION OF AUTHORITIES FOR ACCEPTANCE OF GIFTS, BEQUESTS, AND LOANS FOR THE UNITED STATES NAVAL ACADEMY.—(1) Subsection (a) of section 6973 of title 10, United States Code, is amended—

(A) in the first sentence—

(i) by inserting '', and loans of personal property other than money,'' after ''gifts and bequests of personal property''; and

(ii) by inserting ''or the Naval Academy Museum, its collection, or its services'' before the period at the end;

(B) in the second sentence, by striking '''United States Naval Academy general gift fund''' and inserting '''United States Naval Academy Gift and Museum Fund'''; and

(C) in the third sentence, by inserting ''(including the Naval Academy Museum)'' after ''the Naval Academy''.

(2) Such section 6973 is further amended—

(A) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(B) by inserting after subsection (a) the following new subsection (b):

''(b) The Secretary shall prescribe written guidelines to be used for determinations of whether the acceptance of money, any personal property, or any loan of personal property under subsection (a) would reflect unfavorably on the ability of the Department of the Navy or any officer or employee of the Department of the Navy to carry out responsibilities or duties in a fair and objective manner, or would compromise either the integrity or the appearance of the integrity of any program of the Department of the Navy or any officer or employee of the Department of the Navy who is involved in any such program.''.

(3) Subsection (d) of such section, as redesignated by paragraph (2)(A), is amended by striking ''United States Naval Academy general gift fund'' both places it appears and inserting ''United States Naval Academy Gift and Museum Fund''.

(4) The heading for such section is amended to read as follows:

''§ 6973. Gifts, bequests, and loans of property: acceptance for benefit and use of Naval Academy''.

(d) REFERENCES TO CLOSED GIFT FUNDS.—(1) Section 6974 of title 10, United States Code, is amended to read as follows:

"§ 6974. United States Naval Academy Museum Fund: references to Fund

''Any reference in a law, regulation, document, paper, or other record of the United States to the United States Naval Academy Museum Fund formerly maintained under this section shall be deemed to refer to the United States Naval Academy Gift and Museum Fund maintained under section 6973 of this title.''.

(2) Section 7222 of such title is amended to read as follows:

"§ 7222. Naval Historical Center Fund: references to Fund

''Any reference in a law, regulation, document, paper, or other record of the United States to the Naval Historical Center Fund formerly maintained under this section shall be deemed to refer to the Department of the Navy General Gift Fund maintained under section 2601 of this title.''.

(e) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 603 of title 10, United States Code, is amended by striking the items relating to sections 6973 and 6974 and inserting the following:

''6973. Gifts, bequests, and loans of property: acceptance for benefit and use of Naval Academy.

''6974. United States Naval Academy Museum Fund: references to Fund.''.

(2) The item relating to section 7222 of such title in the table of sections at the beginning of chapter 631 of such title is amended to read as follows:

''7222. Naval Historical Center Fund: references to Fund.''.

SEC. 913. TEMPORARY AUTHORITY TO DISPOSE OF A GIFT PREVIOUSLY ACCEPTED FOR THE NAVAL ACADEMY.

Notwithstanding section 6973 of title 10, United States Code, during fiscal year 2001, the Secretary of the Navy may dispose of the current cash value of a gift accepted before the date of the enactment of this Act for the Naval Academy general gift fund by disbursing out of that fund the amount equal to that cash value to an entity designated by the donor of the gift.

SEC. 914. MANAGEMENT OF NAVY RESEARCH FUNDS BY CHIEF OF NAVAL RESEARCH.

(a) CLARIFICATION OF DUTIES.—Section 5022 of title 10, United States Code, is amended—

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

(2) by inserting after paragraph (1) of subsection (a) the following:

''(b)(1) The Chief of Naval Research is the head of the Office of Naval Research.''; and

(3) by inserting after subsection (b) the following new subsection (c):

''(c) CHIEF AS MANAGER OF RESEARCH FUNDS.—The Chief of Naval Research shall manage the Navy's basic, applied, and advanced research funds to foster transition from science and technology to higher levels of research, development, test, and evaluation.''.

(b) CONFORMING AMENDMENT.—Subsection (a) of such section is amended by striking ''(a)(1)'' and inserting ''(a)''.

SEC. 915. UNITED STATES AIR FORCE INSTITUTE OF TECHNOLOGY.

(a) AUTHORITY.—(1) Part III of subtitle D of title 10, United States Code, is amended by inserting after chapter 903 the following:

"CHAPTER 904—UNITED STATES AIR FORCE INSTITUTE OF TECHNOLOGY

''Sec.

''9321. Establishment; purposes.

''9322. Sense of the Senate regarding the utilization of the Air Force Institute of Technology.

"§ 9321. Establishment; purposes

''(a) ESTABLISHMENT.—There is a United States Air Force Institute of Technology in the Department of the Air Force.

''(b) PURPOSES.—The purposes of the Institute are as follows:

''(1) To perform research.

''(2) To provide advanced instruction and technical education for employees of the Department of the Air Force and members of the Air Force (including the reserve components) in their practical and theoretical duties.

"§ 9322. Sense of the Senate regarding the utilization of the Air Force Institute of Technology

''It is the sense of the Senate that in order to insure full and continued utilization of the Air Force Institute of Technology, the Secretary of the Air Force should, in consult with the Chief of Staff of the Air Force and the Commander of the Air Force Materiel Command, review the following areas of organizational structure and operations at the Institute:

''(1) The grade of the Commandant.

''(2) The chain of command of the Commandant of the Institute within the Air Force.

''(3) The employment and compensation of civilian professors at the Institute.

''(4) The processes for the identification of requirements for advanced degrees within the Air Force, identification for annual enrollment quotas and selection of candidates.

''(5) Post graduation opportunities for graduates of the Institute.

''(6) The policies and practices regarding the admission of—

''(A) officers of the Army, Navy, Marine Corps, and Coast Guard;

''(B) employees of the Department of the Army, Department of the Navy, and Department of Transportation;

''(C) personnel of the armed forces of foreign countries;

''(D) enlisted members of the Armed Forces of the United States; and

''(E) others eligible for admission.''.

SEC. 916. EXPANSION OF AUTHORITY TO EXEMPT GEODETIC PRODUCTS OF THE DEPARTMENT OF DEFENSE FROM PUBLIC DISCLOSURE.

Section 455(b)(1)(C) of title 10, United States Code, is amended by striking ''or reveal military operational or contingency plans'' and inserting '', reveal military operational or contingency plans, or reveal, jeopardize, or compromise military or intelligence capabilities''.

SEC. 917. COORDINATION AND FACILITATION OF DEVELOPMENT OF DIRECTED ENERGY TECHNOLOGIES, SYSTEMS, AND WEAPONS.

(a) FINDINGS.—Congress makes the following findings:

(1) Directed energy systems are available to address many current challenges with respect to military weapons, including offensive weapons and defensive weapons.

(2) Directed energy weapons offer the potential to maintain an asymmetrical technological edge over adversaries of the United States for the foreseeable future.

(3) It is in the national interest that funding for directed energy science and technology programs be increased in order to support priority acquisition programs and to develop new technologies for future applications.

(4) It is in the national interest that the level of funding for directed energy science and technology programs correspond to the level of funding for large-scale demonstration programs in order to ensure the growth of directed energy science and technology programs and to ensure the successful development of other weapons systems utilizing directed energy systems.

(5) The industrial base for several critical directed energy technologies is in fragile condition and lacks appropriate incentives to make the large-scale investments that are necessary to address current and anticipated Department of Defense requirements for such technologies.

(6) It is in the national interest that the Department of Defense utilize and expand upon directed energy research currently being conducted by the Department of Energy, other Federal agencies, the private sector, and academia.

(7) It is increasingly difficult for the Federal Government to recruit and retain personnel with skills critical to directed energy technology development.

(8) The implementation of the recommendations contained in the High Energy Laser Master Plan of the Department of Defense is in the national interest.

(9) Implementation of the management structure outlined in the Master Plan will facilitate the development of revolutionary capabilities in directed energy weapons by achieving a coordinated and focused investment strategy under a new management structure featuring a joint technology office with senior-level oversight provided by a technology council and a board of directors.

(b) IMPLEMENTATION OF HIGH ENERGY LASER MASTER PLAN.—(1) The Secretary of Defense shall implement the management and organizational structure specified in the Department of Defense High Energy Laser Master Plan of March 24, 2000.

(2) The Secretary shall locate the Joint Technology Office specified in the High Energy Laser Master Plan at a location determined appropriate by the Secretary, not later than October 1, 2000.

(3) In determining the location of the Joint Technology Office, the Secretary shall, in consultation with the Deputy Under Secretary of Defense for Science and Technology, evaluate whether to locate the Office at a site at which occur a substantial proportion of the directed energy research, development, test, and evaluation activities of the Department of Defense.

(c) ENHANCEMENT OF INDUSTRIAL BASE.—(1) The Secretary of Defense shall develop and undertake initiatives, including investment initiatives, for purposes of enhancing the industrial base for directed energy technologies and systems.

(2) Initiatives under paragraph (1) shall be designed to—

(A) stimulate the development by institutions of higher education and the private sector of promising directed energy technologies and systems; and

(B) stimulate the development of a workforce skilled in such technologies and systems.

(d) ENHANCEMENT OF TEST AND EVALUATION CAPABILITIES.—The Secretary of Defense shall consider modernizing the High Energy Laser Test Facility at White Sands Missile Range, New Mexico, in order to enhance the test and evaluation capabilities of the Department of Defense with respect to directed energy weapons.

(e) COOPERATIVE PROGRAMS AND ACTIVITIES.—The Secretary of Defense shall evaluate the feasibility and advisability of entering into cooperative programs or activities with other Federal agencies, institutions of higher education, and the private sector, including the national laboratories of the Department of Energy, for the purpose of enhancing the programs, projects, and activities of the Department of Defense relating to directed energy technologies, systems, and weapons.

(f) FUNDING FOR FISCAL YEAR 2001.—(1) Of the amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation, Defense-wide, up to $50,000,000 may be available for science and technology activities relating to directed energy technologies, systems, and weapons.

(2) The Secretary of Defense shall establish procedures for the allocation of funds available under paragraph (1) among activities referred to in that paragraph. In establishing such procedures, the Secretary shall provide for the competitive selection of programs, projects, and activities to be carried out by the recipients of such funds.

(g) DIRECTED ENERGY DEFINED.—In this section, the term ''directed energy'', with respect to

technologies, systems, or weapons, means technologies, systems, or weapons that provide for the directed transmission of energies across the energy and frequency spectrum, including high energy lasers and high power microwaves.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 2001 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $2,000,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. AUTHORIZATION OF EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2000.

Amounts authorized to be appropriated to the Department of Defense for fiscal year 2000 in the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased (by a supplemental appropriation) or decreased (by a rescission), or both, in any law making supplemental appropriations for fiscal year 2000 that is enacted during the 106th Congress, second session.

SEC. 1003. UNITED STATES CONTRIBUTION TO NATO COMMON-FUNDED BUDGETS IN FISCAL YEAR 2001.

(a) FISCAL YEAR 2001 LIMITATION.—The total amount contributed by the Secretary of Defense in fiscal year 2001 for the common-funded budgets of NATO may be any amount up to, but not in excess of, the amount specified in subsection (b) (rather than the maximum amount that would otherwise be applicable to those contributions under the fiscal year 1998 baseline limitation).

(b) TOTAL AMOUNT.—The amount of the limitation applicable under subsection (a) is the sum of the following:

(1) The amounts of unexpended balances, as of the end of fiscal year 2000, of funds appropriated for fiscal years before fiscal year 2001 for payments for those budgets.

(2) The amount specified in subsection (c)(1).

(3) The amount specified in subsection (c)(2).

(4) The total amount of the contributions authorized to be made under section 2501.

(c) AUTHORIZED AMOUNTS.—Amounts authorized to be appropriated by titles II and III of this Act are available for contributions for the common-funded budgets of NATO as follows:

(1) Of the amount provided in section 201(1), $743,000 for the Civil Budget.

(2) Of the amount provided in section 301(1), $194,400,000 for the Military Budget.

(d) DEFINITIONS.—For purposes of this section:

(1) COMMON-FUNDED BUDGETS OF NATO.—The term ''common-funded budgets of NATO'' means the Military Budget, the Security Investment Program, and the Civil Budget of the North Atlantic Treaty Organization (and any successor or additional account or program of NATO).

(2) FISCAL YEAR 1998 BASELINE LIMITATION.—The term ''fiscal year 1998 baseline limitation'' means the maximum annual amount of Department of Defense contributions for common-funded budgets of NATO that is set forth as the annual limitation in section 3(2)(C)(ii) of the resolution of the Senate giving the advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary, and the Czech Republic (as defined in section 4(7) of that resolution), approved by the Senate on April 30, 1998.

SEC. 1004. ANNUAL OMB/CBO JOINT REPORT ON SCORING OF BUDGET OUTLAYS.

(a) REVISION OF SCOPE OF TECHNICAL ASSUMPTIONS.—Subsection (a)(1) of section 226 of title 10, United States Code, is amended by inserting ''subfunctional category 051 (Department of Defense—Military) under'' before ''major functional category 050''.

(b) TREATMENT OF DIFFERENCES IN OUTLAY RATES AND ASSUMPTIONS.—(1) Subsection (b) of such section is amended by striking '', the report shall reflect the average of the relevant outlay rates or assumptions used by the two offices.'' and inserting '', the report shall reflect the differences between the relevant outlay rates or assumptions used by the two offices. For each account for which a difference is reported, the report shall also display, by fiscal year, each office's estimates regarding budget authority, outlay rates, and outlays.''.

(2) The heading for such subsection is amended to read as follows: ''DIFFERENCES IN OUTLAY RATES AND ASSUMPTIONS.—''.

SEC. 1005. PROMPT PAYMENT OF CONTRACT VOUCHERS.

(a) REQUIREMENT.—(1) Chapter 131 of title 10, United States Code, is amended by adding at the end the following:

''§ 2225. Prompt payment of vouchers for contracted property and services

''(a) REQUIREMENT.—Of the contract vouchers that are received by the Defense Finance and Accounting Service by means of the mechanization of contract administration services system, the number of such vouchers that remain unpaid for more than 30 days as of the last day of each month may not exceed 5 percent of the total number of the contract vouchers so received that remain unpaid on that day.

''(b) CONDITIONAL REQUIREMENT FOR REPORT.—(1) For any month of a fiscal year that the requirement in subsection (a) is not met, the Secretary of Defense shall submit to Congress a report on the magnitude of the unpaid contract vouchers. The report for a month shall be submitted not later than 30 days after the end of that month.

''(2) A report for a month under paragraph (1) shall include information current as of the last day of the month as follows:

''(A) The number of the vouchers received by the Defense Finance and Accounting Service by means of the mechanization of contract administration services system during each month.

''(B) The number of the vouchers so received, whenever received by the Defense Finance and Accounting Service, that remain unpaid for each of the following periods:

''(i) Not more than 30 days.

''(ii) Over 30 days and not more than 60 days.

''(iii) Over 60 days and not more than 90 days.

''(iv) More than 90 days.

''(C) The number of the vouchers so received that remain unpaid for the major categories of procurements, as defined by the Secretary of Defense.

''(D) The corrective actions that are necessary, and those that are being taken, to ensure compliance with the requirement in subsection (a).

''(c) CONTRACT VOUCHER DEFINED.—In this section, the term 'contract voucher' means a voucher or invoice for the payment of a contractor for services, commercial items (as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12))), or other deliverable items provided by the contractor pursuant to a contract funded by the Department of Defense.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

''2225. Prompt payment of vouchers for contracted property and services''.

(b) EFFECTIVE DATE.—Section 2225 of title 10, United States Code (as added by subsection (a)), shall take effect on December 1, 2000, and shall apply with respect to months beginning on or after that date.

SEC. 1006. REPEAL OF CERTAIN REQUIREMENTS RELATING TO TIMING OF CONTRACT PAYMENTS.

The following provisions of law are repealed: sections 8175 and 8176 of the Department of Defense Appropriations Act, 2000 (Public Law 106–79), as amended by sections 214 and 215, respectively, of H.R. 3425 of the 106th Congress (113 Stat. 1501A–297), as enacted into law by section 1000(a)(5) of Public Law 106–113.

SEC. 1007. PLAN FOR PROMPT POSTING OF CONTRACTUAL OBLIGATIONS.

(a) REQUIREMENT FOR PLAN.—The Secretary of Defense shall submit to the congressional defense committees, not later than November 15, 2000, and carry out a plan for ensuring that each obligation of the Department of Defense under a transaction described in subsection (c) is posted within 10 days after the obligation is incurred.

(b) CONTENT OF PLAN.—The plan for posting obligations shall provide the following:

(1) Uniform posting requirements that are applicable throughout the Department of Defense, including requirements for the posting of detailed data on each obligation.

(2) A system of uniform accounting classification reference numbers.

(3) Increased use of electronic means for the submission of invoices and other billing documents.

(c) COVERED TRANSACTIONS.—The plan shall apply to each liability of the Department of Defense for a payment under the following:

(1) A contract.

(2) An order issued under a contract.

(3) Services received under a contract.

(4) Any transaction that is similar to a transaction referred to in another paragraph of this subsection.

SEC. 1008. PLAN FOR ELECTRONIC SUBMISSION OF DOCUMENTATION SUPPORTING CLAIMS FOR CONTRACT PAYMENTS.

(a) REQUIREMENT FOR PLAN.—The Secretary of Defense shall submit to the congressional defense committees, not later than March 30, 2001, and carry out a plan for ensuring that all documentation that is to be submitted to the Department of Defense in support of claims for payment under contracts is submitted electronically.

(b) CONTENT OF PLAN.—The plan shall include the following:

(1) The format in which information can be accepted by the Defense Finance and Accounting Service's corporate database.

(2) Procedures for electronic submission of the following:

(A) Receiving reports.

(B) Contracts and contract modifications.

(C) Required certifications.

(3) The requirements to be included in contracts regarding electronic submission of invoices by contractors.

SEC. 1009. ADMINISTRATIVE OFFSETS FOR OVERPAYMENT OF TRANSPORTATION COSTS.

(a) OFFSETS FOR OVERPAYMENTS OR LIQUIDATED DAMAGES.—Section 2636 of title 10,

United States Code, is amended to read as follows:

"§ 2636. Deductions from amounts due carriers

''(a) AMOUNTS FOR LOSS OR DAMAGE.—An amount deducted from an amount due a carrier shall be credited as follows:

''(1) If deducted because of loss of or damage to material in transit for a military department, to the proper appropriation, account, or fund from which the same or similar material may be replaced.

''(2) If deducted as an administrative offset for an overpayment previously made to the carrier under any Department of Defense contract for transportation services or as liquidated damages due under any such contract, to the appropriation or account from which payments for the transportation services were made.

''(b) SIMPLIFIED OFFSET FOR COLLECTION OF CLAIMS NOT IN EXCESS OF THE SIMPLIFIED ACQUISITION THRESHOLD.—(1) In any case in which the total amount of a claim for the recovery of overpayments or liquidated damages under a contract described in subsection (a)(2) does not exceed the simplified acquisition threshold, the Secretary of Defense or the Secretary concerned may exercise the authority to collect the claim by administrative offset under section 3716 of title 31 after providing the notice required by paragraph (1) of subsection (a) of that section, but without regard to paragraphs (2), (3), and (4) of that subsection.

''(2) In this subsection, the term 'simplified acquisition threshold' has the meaning given the term in section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11)).''.

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 157 of such title is amended to read as follows:

''2636. Deductions from amounts due carriers.''.

SEC. 1010. REPEAL OF CERTAIN PROVISIONS SHIFTING CERTAIN OUTLAYS FROM ONE FISCAL YEAR TO ANOTHER.

Sections 305 and 306 of H.R. 3425 of the 106th Congress, as enacted into law by section 1000(a)(5) of Public Law 106–113 (113 Stat. 1501A–306), are repealed.

SEC. 1010A. TREATMENT OF PARTIAL PAYMENTS UNDER SERVICE CONTRACTS.

For the purposes of the regulations prescribed under section 3903(a)(5) of title 31, United States Code, partial payments, other than progress payments, that are made on a contract for the procurement of services shall be treated as being periodic payments.

Subtitle B—Counter-Drug Activities

SEC. 1011. EXTENSION AND INCREASE OF AUTHORITY TO PROVIDE ADDITIONAL SUPPORT FOR COUNTER-DRUG ACTIVITIES.

(a) EXTENSION OF AUTHORITY FOR ASSISTANCE TO COLOMBIA.—Section 1033 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1881) is amended—

(1) in subsection (a), by striking ''during fiscal years 1998 through 2002,''; and

(2) in subsection (b)—

(A) in paragraph (1), by inserting before the period at the end the following: '', for fiscal years 1998 through 2002''; and

(B) in paragraph (2), by inserting before the period at the end the following: '', for fiscal years 1998 through 2006'.

(b) ADDITIONAL TYPE OF SUPPORT.—Subsection (c) of such section is amended by adding at the end the following:

''(4) The transfer of one light observation aircraft.''.

(c) INCREASED MAXIMUM ANNUAL AMOUNT OF SUPPORT.—Subsection (e)(2) of such section is amended—

(1) by striking ''$20,000,000'' and inserting ''$40,000,000''; and

(2) by striking ''2002'' and inserting ''2006, of which not more than $10,000,000 may be obligated or expended for any fiscal year for support for the counter-drug activities of the Government of Peru''.

SEC. 1012. RECOMMENDATIONS ON EXPANSION OF SUPPORT FOR COUNTER-DRUG ACTIVITIES.

(a) REQUIREMENT FOR SUBMITTAL OF RECOMMENDATIONS.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives, not later than February 1, 2001, the Secretary's recommendations regarding whether expanded support for counter-drug activities should be authorized under section 1033 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1881) for the region that includes the countries that are covered by that authority on the date of the enactment of this Act.

(b) CONTENT OF SUBMISSION.—The submission under subsection (a) shall include the following:

(1) What, if any, additional countries should be covered.

(2) What, if any, additional support should be provided to covered countries, together with the reasons for recommending the additional support.

(3) For each country recommended under paragraph (1), a plan for providing support, including the counter-drug activities proposed to be supported.

SEC. 1013. REVIEW OF RIVERINE COUNTER-DRUG PROGRAM.

(a) REQUIREMENT FOR REVIEW.—The Secretary of Defense shall review the riverine counter-drug program supported under section 1033 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1881).

(b) REPORT.—Not later than February 1, 2001, the Secretary shall submit a report on the riverine counter-drug program to the Committees on Armed Services of the Senate and the House of Representatives. The report shall include, for each country receiving support under the riverine counter-drug program, the following:

(1) The Assistant Secretary's assessment of the effectiveness of the program.

(2) A recommendation regarding which of the Armed Forces, units of the Armed Forces, or other organizations within the Department of Defense should be responsible for managing the program.

(c) DELEGATION OF AUTHORITY.—The Secretary shall require the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict to carry out the responsibilities under this section.

Subtitle C—Strategic Forces

SEC. 1015. REVISED NUCLEAR POSTURE REVIEW.

(a) REQUIREMENT FOR REVIEW.—The Secretary of Defense, in consultation with the Secretary of Energy, shall conduct a comprehensive review of the nuclear posture of the United States for the next 5 to 10 years.

(b) ELEMENTS OF REVIEW.—The nuclear posture review shall include the following elements:

(1) The role of nuclear forces in United States military strategy, planning, and programming.

(2) The policy requirements and objectives for the United States to maintain a safe, reliable, and credible nuclear deterrence posture.

(3) The relationship between United States nuclear deterrence policy, targeting strategy, and arms control objectives.

(4) The levels and composition of the nuclear delivery systems that will be required for implementing the United States national and military strategy, including any plans for replacing or modifying existing systems.

(5) The nuclear weapons complex that will be required for implementing the United States national and military strategy, including any plans to modernize or modify the complex.

(6) The active and inactive nuclear weapons stockpile that will be required for implementing the United States national and military strategy, including any plans for replacing or modifying warheads.

(c) REPORT TO CONGRESS.—The Secretary of Defense shall submit to Congress, in unclassified and classified forms as necessary, a report on the results of the nuclear posture review concurrently with the Quadrennial Defense Review due in December 2001.

(d) SENSE OF CONGRESS.—It is the sense of Congress that, to clarify United States nuclear deterrence policy and strategy for the next 5 to 10 years, a revised nuclear posture review should be conducted and that such review should be used as the basis for establishing future United States arms control objectives and negotiating positions.

SEC. 1016. PLAN FOR THE LONG-TERM SUSTAINMENT AND MODERNIZATION OF UNITED STATES STRATEGIC NUCLEAR FORCES.

(a) REQUIREMENT FOR PLAN.—The Secretary of Defense, in consultation with the Secretary of Energy, shall develop a long-range plan for the sustainment and modernization of United States strategic nuclear forces to counter emerging threats and satisfy the evolving requirements of deterrence.

(b) ELEMENTS OF PLAN.—The plan specified under subsection (a) shall include the Secretary's plans, if any, for the sustainment and modernization of the following:

(1) Land-based and sea-based strategic ballistic missiles, including any plans for developing replacements for the Minuteman III intercontinental ballistic missile and the Trident II sea-launched ballistic missile and plans for common ballistic missile technology development

(2) Strategic nuclear bombers, including any plans for a B–2 follow-on, a B–52 replacement, and any new air-launched weapon systems.

(3) Appropriate warheads to outfit the strategic nuclear delivery systems referred to in paragraphs (1) and (2) to satisfy evolving military requirements.

(c) SUBMITTAL OF PLAN.—The plan specified under subsection (a) shall be submitted to Congress not later than April 15, 2001. The plan shall be submitted in unclassified and classified forms, as necessary.

SEC. 1017. CORRECTION OF SCOPE OF WAIVER AUTHORITY FOR LIMITATION ON RETIREMENT OR DISMANTLEMENT OF STRATEGIC NUCLEAR DELIVERY SYSTEMS; AUTHORITY TO WAIVE LIMITATION.

(a) IN GENERAL.—Section 1302(b) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1948), as amended by section 1501(a) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 806), is further amended by striking ''the application of the limitation in effect under paragraph (1)(B) or (3) of subsection (a), as the case may be,'' and inserting ''the application of the limitation in effect under subsection (a) to a strategic nuclear delivery system''.

(b) AUTHORITY TO WAIVE LIMITATION ON RETIREMENT OR DISMANTLEMENT OF STRATEGIC NUCLEAR DELIVERY SYSTEMS.—After the submission of the report on the results of the nuclear posture review to Congress under section 1015(c)—

(1) the Secretary of Defense shall, taking into consideration the results of the review, submit to the President a recommendation regarding whether the President should waive the limitation on the retirement or dismantlement of strategic nuclear delivery systems in section 1302 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 1948); and

(2) the President, taking into consideration the results of the review and the recommendation made by the Secretary of Defense under paragraph (1), may waive the limitation referred to in that paragraph if the President determines that it is in the national security interests of the United States to do so.

SEC. 1018. REPORT ON THE DEFEAT OF HARDENED AND DEEPLY BURIED TARGETS.

(a) STUDY.—The Secretary of Defense shall, in conjunction with the Secretary of Energy, conduct a study relating to the defeat of hardened and deeply buried targets. Under the study, the Secretaries shall—

(1) review the requirements and current and future plans for hardened and deeply buried targets and agent defeat weapons concepts and activities;

(2) determine if those plans adequately address all requirements;

(3) identify potential future hardened and deeply buried targets and other related targets;

(4) determine what resources and research and development efforts are needed to defeat the targets identified under paragraph (3) as well as other agent defeat requirements;

(5) assess both current and future options to defeat hardened and deeply buried targets as well as agent defeat weapons concepts, including any limited research and development that may be necessary to conduct such assessment; and

(6) determine the capability and cost of each option.

(b) REPORT.—The Secretary of Defense shall submit to the congressional defense committees a report on the results of the study required by subsection (a) not later than July 1, 2001.

SEC. 1019. SENSE OF SENATE ON THE MAINTENANCE OF THE STRATEGIC NUCLEAR TRIAD.

It is the sense of the Senate that, in light of the potential for further arms control agreements with the Russian Federation limiting strategic forces—

(1) it is in the national interest of the United States to maintain a robust and balanced TRIAD of strategic nuclear delivery vehicles, including long-range bombers, land-based intercontinental ballistic missiles (ICBMs), and ballistic missile submarines; and

(2) reductions to United States conventional bomber capability are not in the national interest of the United States.

Subtitle D—Miscellaneous Reporting Requirements

SEC. 1021. ANNUAL REPORT OF THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF ON COMBATANT COMMAND REQUIREMENTS.

(a) ADDITIONAL COMPONENT.—Section 153(d)(1) of title 10, United States Code, is amended by adding at the end the following:

''(C) The extent to which the future-years defense program (under section 221 of this title) addresses the requirements on the consolidated lists.''.

(b) APPLICABILITY TO REPORTS AFTER FISCAL YEAR 2000.—Subparagraph (C) of paragraph (1) of section 153(d) of title 10, United States Code (as added by subsection (a)), shall apply to reports submitted to Congress under such section after fiscal year 2000.

SEC. 1022. SEMIANNUAL REPORT ON JOINT REQUIREMENTS OVERSIGHT COUNCIL.

(a) SEMIANNUAL REPORT.—The Chairman of the Joints Chiefs of Staff shall submit to the congressional defense committees a semiannual report on the activities of the Joint Requirements Oversight Council. The principal purpose of the report is to inform the committees of the progress made in the reforming and refocusing of the Joint Requirements Oversight Council process during the period covered by the report.

(b) CONTENT.—The report for a half of a fiscal year shall include the following:

(1) A listing and justification for each of the distinct capability areas selected by the Chairman of the Joints Chiefs of Staff as being within the principal domain of the Joint Requirements Oversight Council.

(2) A listing of the joint requirements developed, considered, or approved within each of the capability areas.

(3) A listing and explanation of the decisions made by the Joint Requirements Oversight Council, together with a delineation of each decision that was made in disagreement with a position advocated by the Commander in Chief, United States Joint Forces Command, as the chief proponent of the requirements identified by the commanders of the unified and specified combatant commands.

(4) An assessment of the progress made in elevating the Joint Requirements Oversight Council to a more strategic focus on future war fighting requirements, integration of requirements, and development of overarching common architectures.

(5) A summation and assessment of the role and impact of joint experimentation on the processes and decisions for defining joint requirements, for defining requirements of each of the Armed Forces individually, for managing acquisitions by Defense Agencies, and for managing acquisitions by the military departments.

(6) A description of any procedural actions that have been taken to improve the Joint Requirements Oversight Council.

(7) Any recommendations for legislation or for providing additional resources that the Chairman considers necessary in order fully to refocus and reform the processes of the Joint Requirements Oversight Council.

(c) DATES FOR SUBMISSION.—(1) The semiannual report for the half of a fiscal year ending on March 31 of a year shall be submitted not later than August 31 of that year.

(2) The semiannual report for the half of a fiscal year ending on September 30 of a year shall be submitted not later than February 28 of the following year.

(3) The first semiannual report shall be submitted not later than February 28, 2001, and shall cover the last half of fiscal year 2000.

SEC. 1023. PREPAREDNESS OF MILITARY INSTALLATION FIRST RESPONDERS FOR INCIDENTS INVOLVING WEAPONS OF MASS DESTRUCTION.

(a) REQUIREMENT FOR REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the program of the Department of Defense to ensure the preparedness of the first responders of the Department of Defense for incidents involving weapons of mass destruction on installations of the Department of Defense.

(b) CONTENT OF REPORT.—The report shall include the following:

(1) A detailed description of the overall preparedness program.

(2) The schedule and costs associated with the implementation of the program.

(3) The Department's plan for coordinating the preparedness program with responders in the communities in the localities of the installations.

(4) The Department's plan for promoting the interoperability of the equipment used by the installation first responders referred to in subsection (a) with the equipment used by the first responders in those communities.

(c) DEFINITIONS.—In this section:

(1) The term ''first responder'' means an organization responsible for responding to an incident involving a weapon of mass destruction.

(2) The term ''weapon of mass destruction'' has the meaning given that term in section 1403(1) of the Defense Against Weapons of Mass Destruction Act of 1996 (50 U.S.C. 2302(1)).

SEC. 1024. DATE OF SUBMITTAL OF REPORTS ON SHORTFALLS IN EQUIPMENT PROCUREMENT AND MILITARY CONSTRUCTION FOR THE RESERVE COMPONENTS IN FUTURE-YEARS DEFENSE PROGRAMS.

Section 10543(c) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(3) A report required under paragraph (1) for a fiscal year shall be submitted not later than 15 days after the date on which the President submits to Congress the budget for such fiscal year under section 1105(a) of title 31.''.

SEC. 1025. MANAGEMENT REVIEW OF DEFENSE LOGISTICS AGENCY.

(a) COMPTROLLER GENERAL REVIEW REQUIRED.—The Comptroller General shall review each operation of the Defense Logistics Agency—

(1) to assess—

(A) the efficiency of the operation;

(B) the effectiveness of the operation in meeting customer requirements; and

(C) the flexibility of the operation to adopt best business practices; and

(2) to identify alternative approaches for improving the operations of the agency.

(b) REPORT.—Not later than February 1, 2002, the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives 1 or more reports setting forth the Comptroller General's findings resulting from the review.

SEC. 1026. MANAGEMENT REVIEW OF DEFENSE INFORMATION SYSTEMS AGENCY.

(a) COMPTROLLER GENERAL REVIEW REQUIRED.—The Comptroller General shall review each operation of the Defense Information Systems Agency—

(1) to assess—

(A) the efficiency of the operation;

(B) the effectiveness of the operation in meeting customer requirements; and

(C) the flexibility of the operation to adopt best business practices; and

(2) to identify alternative approaches for improving the information systems of the Department of Defense.

(b) REPORT.—Not later than February 1, 2002, the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives one or more reports setting forth the Comptroller General's findings resulting from the review.

SEC. 1027. REPORT ON SPARE PARTS AND REPAIR PARTS PROGRAM OF THE AIR FORCE FOR THE C–5 AIRCRAFT.

(a) FINDINGS.—Congress makes the following findings:

(1) There exists a significant shortfall in the Nation's current strategic airlift requirement, even though strategic airlift remains critical to the national security strategy of the United States.

(2) This shortfall results from the slow phase-out of C–141 aircraft and their replacement with C–17 aircraft and from lower than optimal reliability rates for the C–5 aircraft.

(3) One of the primary causes of these reliability rates for C–5 aircraft, and especially for operational unit aircraft, is the shortage of spare repair parts. Over the past 5 years, this shortage has been particularly evident in the C–5 fleet.

(4) NMCS (Not Mission Capable for Supply) rates for C–5 aircraft have increased significantly in the period between 1997 and 1999. At Dover Air Force Base, Delaware, an average of 7 to 9 C–5 aircraft were not available during that period because of a lack of parts.

(5) Average rates of cannibalization of C–5 aircraft per 100 sorties of such aircraft have also increased during that period and are well above the Air Mobility Command standard. In any given month, this means devoting additional manhours to cannibalizations of C–5 aircraft. At Dover Air Force Base, an average of 800 to 1,000 additional manhours were required for cannibalizations of C–5 aircraft during that period. Cannibalizations are often required for aircraft that transit through a base such as Dover Air Force Base, as well as those that are based there.

(6) High cannibalization rates indicate a significant problem in delivering spare parts in a timely manner and systemic problems within the repair and maintenance process, and also demoralize overworked maintenance crews.

(7) The C–5 aircraft remains an absolutely critical asset in air mobility and airlifting heavy equipment and personnel to both military contingencies and humanitarian relief efforts around the world.

(8) Despite increased funding for spare and repair parts and other efforts by the Air Force to mitigate the parts shortage problem, Congress continues to receive reports of significant cannibalizations to airworthy C–5 aircraft and parts backlogs.

(b) REPORTS.—Not later than January 1, 2001, and September 30, 2001, the Secretary of the Air Force shall submit to the congressional defense committees a report on the overall status of the spare and repair parts program of the Air Force for the C–5 aircraft. The report shall include the following—

(1) a statement of the funds currently allocated to parts for the C–5 aircraft and the adequacy of such funds to meet current and future parts and maintenance requirements for that aircraft;

(2) a description of current efforts to address shortfalls in parts for such aircraft, including an assessment of potential short-term and long-term effects of such efforts;

(3) an assessment of the effects of such shortfalls on readiness and reliability ratings for C–5 aircraft;

(4) a description of cannibalization rates for C–5 aircraft and the manhours devoted to cannibalizations of such aircraft; and

(5) an assessment of the effects of parts shortfalls and cannibalizations with respect to C–5 aircraft on readiness and retention.

SEC. 1028. REPORT ON THE STATUS OF DOMESTIC PREPAREDNESS AGAINST THE THREAT OF BIOLOGICAL TERRORISM.

(a) REPORT REQUIRED.—Not later than March 31, 2001, the President shall submit to the Speaker of the House of Representatives and the President Pro Tempore of the Senate a report on domestic preparedness against the threat of biological terrorism.

(b) REPORT ELEMENTS.—The report shall address the following:

(1) The current state of United States preparedness to defend against a biologic attack.

(2) The roles that various Federal agencies currently play, and should play, in preparing for, and defending against, such an attack.

(3) The roles that State and local agencies and public health facilities currently play, and should play, in preparing for, and defending against, such an attack.

(4) The advisability of establishing an intergovernmental task force to assist in preparations for such an attack.

(5) The potential role of advanced communications systems in aiding domestic preparedness against such an attack.

(6) The potential for additional research and development in biotechnology to aid domestic preparedness against such an attack.

(7) Other measures that should be taken to aid domestic preparedness against such an attack.

(8) The financial resources necessary to support efforts for domestic preparedness against such an attack.

(9) The beneficial consequences of such efforts on—

(A) the treatment of naturally occurring infectious disease;

(B) the efficiency of the United States health care system;

(C) the maintenance in the United States of a competitive edge in biotechnology; and

(D) the United States economy.

SEC. 1029. REPORT ON GLOBAL MISSILE LAUNCH EARLY WARNING CENTER.

Not later than March 15, 2001, the Secretary of Defense shall submit to the congressional defense committees a report on the feasibility and advisability of establishing a center at which missile launch early warning data from the United States and other nations would be made available to representatives of nations concerned with the launch of ballistic missiles. The report shall include the Secretary's assessment of the advantages and disadvantages of such a center and any other matters regarding such a center that the Secretary considers appropriate.

SEC. 1030. MANAGEMENT REVIEW OF WORKING-CAPITAL FUND ACTIVITIES.

(a) COMPTROLLER GENERAL REVIEW REQUIRED.—The Comptroller General shall conduct a review of the working-capital fund activities of the Department of Defense to identify any potential changes in current management processes or policies that, if made, would result in a more efficient and economical operation of those activities.

(b) REVIEW TO INCLUDE CARRYOVER POLICY.—The review shall include a review of practices under the Department of Defense policy that authorizes funds available for working-capital fund activities for one fiscal year to be obligated for work to be performed at such activities within the first 90 days of the next fiscal year (known as ''carryover''). On the basis of the review, the Comptroller General shall determine the following:

(1) The extent to which the working-capital fund activities of the Department of Defense have complied with the 90-day carryover policy.

(2) The reasons for the carryover authority under the policy to apply to as much as a 90-day quantity of work.

(3) Whether applying the carryover authority to not more than a 30-day quantity of work would be sufficient to ensure uninterrupted operations at the working-capital fund activities early in a fiscal year.

(4) What, if any, savings could be achieved by restricting the carryover authority so as to apply to a 30-day quantity of work.

SEC. 1031. REPORT ON SUBMARINE RESCUE SUPPORT VESSELS.

(a) REQUIREMENT.—The Secretary of the Navy shall submit to Congress, together with the submission of the budget of the President for fiscal year 2002 under section 1105 of title 31, United States Code, a report on the plan of the Navy for providing for submarine rescue support vessels through fiscal year 2007.

(b) CONTENT.—The report shall include a discussion of the following:

(1) The requirement for submarine rescue support vessels through fiscal year 2007, including experience in changing from the provision of such vessels from dedicated platforms to the provision of such vessels through vessel of opportunity services and charter vessels.

(2) The resources required, the risks to submariners, and the operational impacts of the following:

(A) Chartering submarine rescue support vessels for terms of up to five years, with options to extend the charters for two additional five-year periods.

(B) Providing submarine rescue support vessels using vessel of opportunity services.

(C) Providing submarine rescue support services through other means considered by the Navy.

SEC. 1032. REPORTS ON FEDERAL GOVERNMENT PROGRESS IN DEVELOPING INFORMATION ASSURANCE STRATEGIES.

(a) FINDINGS.—Congress makes the following findings:

(1) The protection of our Nation's critical infrastructure is of paramount importance to the security of the United States.

(2) The vulnerability of our Nation's critical sectors—such as financial services, transportation, communications, and energy and water supply—has increased dramatically in recent years as our economy and society have become ever more dependent on interconnected computer systems.

(3) Threats to our Nation's critical infrastructure will continue to grow as foreign governments, terrorist groups, and cyber-criminals increasingly focus on information warfare as a method of achieving their aims.

(4) Addressing the computer-based risks to our Nation's critical infrastructure requires extensive coordination and cooperation within and between Federal agencies and the private sector.

(5) Presidential Decision Directive No. 63 (PDD–63) identifies 12 areas critical to the functioning of the United States and requires certain Federal agencies, and encourages private sector industries, to develop and comply with strategies intended to enhance the Nation's ability to protect its critical infrastructure.

(6) PDD–63 requires lead Federal agencies to work with their counterparts in the private sector to create early warning information sharing systems and other cyber-security strategies.

(7) PDD–63 further requires that key Federal agencies develop their own internal information assurance plans, and that these plans be fully operational not later than May 2003.

(b) REPORT REQUIREMENTS.—(1) Not later than July 1, 2001, the President shall submit to Congress a comprehensive report detailing the specific steps taken by the Federal Government as of the date of the report to develop infrastructure assurance strategies as outlined by Presidential Decision Directive No. 63 (PDD–63). The report shall include the following:

(A) A detailed summary of the progress of each Federal agency in developing an internal information assurance plan.

(B) The progress of Federal agencies in establishing partnerships with relevant private sector industries.

(2) Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a detailed report on the roles and responsibilities of the Department of Defense in defending against attacks on critical infrastructure and critical information-based systems. The report shall include the following:

(A) A description of the current role of the Department of Defense in implementing Presidential Decision Directive No. 63 (PDD–63).

(B) A description of the manner in which the Department is integrating its various capabilities and assets (including the Army Land Information Warfare Activity (LIWA), the Joint Task Force on Computer Network Defense (JTF-CND), and the National Communications System) into an indications and warning architecture.

(C) A description of Department work with the intelligence community to identify, detect, and counter the threat of information warfare programs by potentially hostile foreign national governments and sub-national groups.

(D) A definitions of the terms ''nationally significant cyber event'' and ''cyber reconstitution''.

(E) A description of the organization of Department to protect its foreign-based infrastructure and networks.

(F) An identification of the elements of a defense against an information warfare attack, including the integration of the Computer Network Attack Capability of the United States Space Command into the overall cyber-defense of the United States.

Subtitle E—Information Security

SEC. 1041. INSTITUTE FOR DEFENSE COMPUTER SECURITY AND INFORMATION PROTECTION.

(a) ESTABLISHMENT.—The Secretary of Defense shall establish an Institute for Defense Computer Security and Information Protection.

(b) MISSION.—The Secretary shall require the institute—

(1) to conduct research and technology development that is relevant to foreseeable computer and network security requirements and information assurance requirements of the Department of Defense with a principal focus on areas not being carried out by other organizations in the private or public sector; and

(2) to facilitate the exchange of information regarding cyberthreats, technology, tools, and other relevant issues between government and nongovernment organizations and entities.

(c) CONTRACTOR OPERATION.—The Secretary shall enter into a contract with a not-for-profit entity or consortium of not-for-profit entities to organize and operate the institute. The Secretary shall use competitive procedures for the selection of the contractor to the extent determined necessary by the Secretary.

(d) FUNDING.—Of the amounts authorized to be appropriated under section 301(5), $10,000,000 shall be available for the Institute for Defense Computer Security and Information Protection.

(e) REPORT.—Not later than April 1, 2001, the Secretary shall submit to the congressional defense committees the Secretary's plan for implementing this section.

SEC. 1042. INFORMATION SECURITY SCHOLARSHIP PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—(1) Part III of subtitle A of title 10, United States Code, is amended by adding at the end the following:

"CHAPTER 112—INFORMATION SECURITY SCHOLARSHIP PROGRAM

''Sec.
''2200. Programs; purpose.
''2200a. Scholarship program.
''2200b. Grant program.
''2200c. Centers of Academic Excellence in Information Assurance Education.
''2200d. Regulations.
''2200e. Definitions.
''2200f. Inapplicability to Coast Guard.

"§ 2200. Programs; purpose

''(a) IN GENERAL.—To encourage the recruitment and retention of Department of Defense personnel who have the computer and network security skills necessary to meet Department of Defense information assurance requirements, the Secretary of Defense may carry out programs in accordance with this chapter to provide financial support for education in disciplines relevant to those requirements at institutions of higher education.

''(b) TYPES OF PROGRAMS.—The programs authorized under this chapter are as follows:

''(1) Scholarships for pursuit of programs of education in information assurance at institutions of higher education.

''(2) Grants to institutions of higher education.

"§ 2200a. Scholarship program

''(a) AUTHORITY.—The Secretary of Defense may, subject to subsection (g), provide financial assistance in accordance with this section to a person pursuing a baccalaureate or advanced degree in an information assurance discipline referred to in section 2200(a) of this title at an institution of higher education who enters into an agreement with the Secretary as described in subsection (b).

''(b) SERVICE AGREEMENT FOR SCHOLARSHIP RECIPIENTS.—(1) To receive financial assistance under this section—

''(A) a member of the armed forces shall enter into an agreement to serve on active duty in the member's armed force for the period of obligated service determined under paragraph (2);

''(B) an employee of the Department of Defense shall enter into an agreement to continue in the employment of the department for the period of obligated service determined under paragraph (2); and

''(C) a person not referred to in subparagraph (A) or (B) shall enter into an agreement—

''(i) to enlist or accept a commission in one of the armed forces and to serve on active duty in that armed force for the period of obligated service determined under paragraph (2); or

''(ii) to accept and continue employment in the Department of Defense for the period of obligated service determined under paragraph (2).

''(2) For the purposes of this subsection, the period of obligated service for a recipient of financial assistance under this section shall be the period determined by the Secretary of Defense as being appropriate to obtain adequate service in exchange for the financial assistance and otherwise to achieve the goals set forth in section 2200(a) of this title. In no event may the period of service required of a recipient be less than the period equal to ¾ of the total period of pursuit of a degree for which the Secretary agrees to provide the recipient with financial assistance under this section. The period of obligated service is in addition to any other period for which the recipient is obligated to serve on active duty or in the civil service, as the case may be.

''(3) An agreement entered into under this section by a person pursuing an academic degree shall include clauses that provide the following:

''(A) That the period of obligated service begins on a date after the award of the degree that is determined under the regulations prescribed under section 2200d of this title.

''(B) That the person will maintain satisfactory academic progress, as determined in accordance with those regulations, and that failure to maintain such progress constitutes grounds for termination of the financial assistance for the person under this section.

''(C) Any other terms and conditions that the Secretary of Defense determines appropriate for carrying out this section.

''(c) AMOUNT OF ASSISTANCE.—The amount of the financial assistance provided for a person under this section shall be the amount determined by the Secretary of Defense as being necessary to pay all educational expenses incurred by that person, including tuition, fees, cost of books, laboratory expenses, and expenses of room and board. The expenses paid, however, shall be limited to those educational expenses normally incurred by students at the institution of higher education involved.

''(d) USE OF ASSISTANCE FOR SUPPORT OF INTERNSHIPS.—The financial assistance for a person under this section may also be provided to support internship activities of the person at the Department of Defense in periods between the academic years leading to the degree for which assistance is provided the person under this section.

''(e) REFUND FOR PERIOD OF UNSERVED OBLIGATED SERVICE.—(1) A person who voluntarily terminates service before the end of the period of obligated service required under an agreement entered into under subsection (b) shall refund to the United States an amount determined by the Secretary of Defense as being appropriate to obtain adequate service in exchange for financial assistance and otherwise to achieve the goals set forth in section 2200(a) of this title.

''(2) An obligation to reimburse the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

''(3) The Secretary of Defense may waive, in whole or in part, a refund required under paragraph (1) if the Secretary determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

''(f) EFFECT OF DISCHARGE IN BANKRUPTCY.—A discharge in bankruptcy under title 11 that is entered less than 5 years after the termination of an agreement under this section does not discharge the person signing such agreement from a debt arising under such agreement or under subsection (e).

''(g) ALLOCATION OF FUNDING.—Not less than 50 percent of the amount available for financial assistance under this section for a fiscal year shall be available only for providing financial assistance for the pursuit of degrees referred to in subsection (a) at institutions of higher education that have established, improved, or are administering programs of education in information assurance under the grant program established in section 2200b of this title, as determined by the Secretary of Defense.

"§ 2200b. Grant program

''(a) AUTHORITY.—The Secretary of Defense may provide grants of financial assistance to institutions of higher education to support the establishment, improvement, or administration of programs of education in information assurance disciplines referred to in section 2200(a) of this title.

''(b) PURPOSES.—The proceeds of grants under this section may be used by an institution of higher education for the following purposes:

''(1) Faculty development.

''(2) Curriculum development.

''(3) Laboratory improvements.

''(4) Faculty research in information security.

"§ 2200c. Centers of Academic Excellence in Information Assurance Education

''In the selection of a recipient for the award of a scholarship or grant under this chapter, consideration shall be given to whether—

''(1) in the case of a scholarship, the institution at which the recipient pursues a degree is a Center of Academic Excellence in Information Assurance Education; and

''(2) in the case of a grant, the recipient is a Center of Academic Excellence in Information Assurance Education.

"§ 2200d. Regulations

''The Secretary of Defense shall prescribe regulations for the administration of this chapter.

"§ 2200e. Definitions

''In this chapter:

''(1) The term 'information assurance' includes the following:

''(A) Computer security.

''(B) Network security.

''(C) Any other information technology that the Secretary of Defense considers related to information assurance.

''(2) The term 'institution of higher education' has the meaning given the term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

''(3) The term 'Center of Academic Excellence in Information Assurance Education' means an institution of higher education that is designated as a Center of Academic Excellence in Information Assurance Education by the Director of the National Security Agency.

"§ 2200f. Inapplicability to Coast Guard

''This chapter does not apply to the Coast Guard when it is not operating as a service in the Navy.''.

(2) The tables of chapters at the beginning of subtitle A of title 10, United States Code, and the beginning of part III of such subtitle are amended by inserting after the item relating to chapter 111 the following:

''112. Information Security Scholarship Program ..... 2200''.

(b) FUNDING.—Of the amount authorized to be appropriated under section 301(5), $20,000,000 shall be available for carrying out chapter 112 of title 10, United States Code (as added by subsection (a)).

(c) REPORT.—Not later than April 1, 2001, the Secretary of Defense shall submit to the congressional defense committees a plan for implementing the programs under chapter 112 of title 10, United States Code.

SEC. 1043. PROCESS FOR PRIORITIZING BACKGROUND INVESTIGATIONS FOR SECURITY CLEARANCES FOR DEPARTMENT OF DEFENSE PERSONNEL.

(a) ESTABLISHMENT OF PROCESS.—Chapter 80 of title 10, United States Code, is amended by adding at the end the following:

"§ 1563. Security clearance investigations

''(a) EXPEDITED PROCESS.—The Secretary of Defense shall prescribe a process for expediting the completion of the background investigations necessary for granting security clearances for Department of Defense personnel who are engaged in sensitive duties that are critical to the national security.

''(b) REQUIRED FEATURES.—The process developed under subsection (a) shall provide for the following:

''(1) Quantification of the requirements for background investigations necessary for grants of security clearances for Department of Defense personnel.

''(2) Categorization of personnel on the basis of the degree of sensitivity of their duties and the extent to which those duties are critical to the national security.

''(3) Prioritization of the processing of background investigations on the basis of the categories of personnel.

''(c) ANNUAL REVIEW.—The Secretary shall review, each year, the process prescribed under subsection (a) and shall revise it as determined necessary in relation to ongoing Department of Defense missions.

''(d) CONSULTATION REQUIREMENT.—The Secretary shall consult with the Secretaries of the military departments and the heads of Defense Agencies in carrying out this section.

''(e) SENSITIVE DUTIES.—For the purposes of this section, it is not necessary for the performance of duties to involve classified activities or classified matters in order for the duties to be considered sensitive and critical to the national security.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following:

''1563. Security clearance investigations.''.

SEC. 1044. AUTHORITY TO WITHHOLD CERTAIN SENSITIVE INFORMATION FROM PUBLIC DISCLOSURE.

(a) IN GENERAL.—Chapter 3 of title 10, United States Code, is amended by inserting after section 130b the following new section:

''§ 130c. Nondisclosure of information: certain sensitive information of foreign governments and international organizations

''(a) EXEMPTION FROM DISCLOSURE.—The national security official concerned (as defined in subsection (g)) may withhold from public disclosure otherwise required by law sensitive information of foreign governments in accordance with this section.

''(b) INFORMATION ELIGIBLE FOR EXEMPTION.—For the purposes of this section, information is sensitive information of a foreign government only if the national security official concerned makes each of the following determinations with respect to the information:

''(1) That the information was provided by, otherwise made available by, or produced in cooperation with, a foreign government or international organization.

''(2) That the foreign government or international organization is withholding the information from public disclosure (relying for that determination on the written representation of the foreign government or international organization to that effect).

''(3) That any of the following conditions are met:

''(A) The foreign government or international organization requests, in writing, that the information be withheld.

''(B) The information was provided or made available to the United States Government on the condition that it not be released to the public.

''(C) The information is an item of information, or is in a category of information, that the national security official concerned has specified in regulations prescribed under subsection (f) as being information the release of which would have an adverse effect on the ability of the United States Government to obtain the same or similar information in the future.

''(c) INFORMATION OF OTHER AGENCIES.—If the national security official concerned provides to the head of another agency sensitive information of a foreign government, as determined by that national security official under subsection (b), and informs the head of the other agency of that determination, then the head of the other agency shall withhold the information from any public disclosure unless that national security official specifically authorizes the disclosure.

''(d) LIMITATIONS.—(1) If a request for disclosure covers any sensitive information of a foreign government (as described in subsection (b)) that came into the possession or under the control of the United States Government before the date of the enactment of the National Defense Authorization Act for Fiscal Year 2001 and more than 25 years before the request is received by an agency, the information may be withheld only as set forth in paragraph (3).

''(2)(A) If a request for disclosure covers any sensitive information of a foreign government (as described in subsection (b)) that came into the possession or under the control of the United States Government on or after the date referred to in paragraph (1), the authority to withhold the information under this section is subject to the provisions of subparagraphs (B) and (C).

''(B) Information referred to in subparagraph (A) may not be withheld under this section after—

''(i) the date that is specified by a foreign government or international organization in a request or expression of a condition described in paragraph (1) or (2) of subsection (b) that is made by the foreign government or international organization concerning the information; or

''(ii) if there are more than one such foreign governments or international organizations, the latest date so specified by any of them.

''(C) If no date is applicable under subparagraph (B) to a request referred to in subparagraph (A) and the information referred to in that subparagraph came into possession or under the control of the United States more than 10 years before the date on which the request is received by an agency, the information may be withheld under this section only as set forth in paragraph (3).

''(3) Information referred to in paragraph (1) or (2)(C) may be withheld under this section in the case of a request for disclosure only if, upon the notification of each foreign government and international organization concerned in accordance with the regulations prescribed under subsection (g)(2), any such government or organization requests in writing that the information not be disclosed for an additional period stated in the request of that government or organization. After the national security official concerned considers the request of the foreign government or international organization, the official shall designate a later date as the date after which the information is not to be withheld under this section. The later date may be extended in accordance with a later request of any such foreign government or international organization under this paragraph.

''(e) INFORMATION PROTECTED UNDER OTHER AUTHORITY.—This section does not apply to information or matters that are specifically required in the interest of national defense or foreign policy to be protected against unauthorized disclosure under criteria established by an Executive order and are classified, properly, at the confidential, secret, or top secret level pursuant to such Executive order.

''(f) DISCLOSURES NOT AFFECTED.—Nothing in this section shall be construed to authorize any official to withhold, or to authorize the withholding of, information from the following:

''(1) Congress.

''(2) The Comptroller General, unless the information relates to activities that the President designates as foreign intelligence or counterintelligence activities.

''(g) REGULATIONS.—(1) The national security officials referred to in subsection (h)(1) shall each prescribe regulations to carry out this section. The regulations shall include criteria for making the determinations required under subsection (b). The regulations may provide for controls on access to and use of, and special markings and specific safeguards for, a category or categories of information subject to this section.

''(2) The regulations shall include procedures for notifying and consulting with each foreign government or international organization concerned about requests for disclosure of information to which this section applies.

''(h) DEFINITIONS.—In this section:

''(1) The term 'national security official concerned' means the following:

''(A) The Secretary of Defense, with respect to information of concern to the Department of Defense, as determined by the Secretary.

''(B) The Secretary of Transportation, with respect to information of concern to the Coast Guard, as determined by the Secretary, but only while the Coast Guard is not operating as a service in the Navy.

''(C) The Secretary of Energy, with respect to information concerning the national security programs of the Department of Energy, as determined by the Secretary.

''(2) The term 'agency' has the meaning given that term in section 552(f) of title 5.

''(3) The term 'international organization' means the following:

''(A) A public international organization designated pursuant to section 1 of the International Organizations Immunities Act (59 Stat. 669; 22 U.S.C. 288) as being entitled to enjoy the privileges, exemptions, and immunities provided in such Act.

''(B) A public international organization created pursuant to a treaty or other international agreement as an instrument through or by which two or more foreign governments engage in some aspect of their conduct of international affairs.

''(C) An official mission, except a United States mission, to a public international organization referred to in subparagraph (A) or (B).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 130b the following new item:

''130c. Nondisclosure of information: certain sensitive information of foreign governments and international organizations.''.

SEC. 1045. PROTECTION OF OPERATIONAL FILES OF THE DEFENSE INTELLIGENCE AGENCY.

(a) AUTHORITY.—Subchapter I of chapter 21 of title 10, United States Code, is amended by adding at the end the following:

''§ 426. Protection of sensitive information: operational files of the Defense Intelligence Agency

''(a) AUTHORITY TO WITHHOLD OPERATIONAL FILES.—The Secretary of Defense may withhold from public disclosure operational files described in subsection (b) to the same extent that operational files may be withheld under section 701 of the National Security Act of 1947 (50 U.S.C. 431), subject to judicial review under the same circumstances and to the same extent as is provided in subsection (f) of such section.

''(b) DECENNIAL REVIEW OF EXEMPTED OPERATIONAL FILES.—Section 702 of the National Security Act of 1947 (50 U.S.C. 432), setting forth requirements for decennial review of exemptions from public disclosure and related provisions for judicial review shall apply with respect to the exemptions from public disclosure that are in force under subsection (a), subject to the following requirements:

''(1) The Secretary of Defense shall conduct the decennial review under this subsection.

''(2) In the application of the judicial review provisions under subsection (c) of such section 702—

''(A) the references to the Central Intelligence Agency shall be deemed to refer to the Secretary of Defense; and

''(B) the reference in paragraph (1) of that subsection to the period for the first review shall

be deemed to refer to the 10-year period beginning on the day after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2001.

''(c) OPERATIONAL FILES DEFINED.—In this section, the term 'operational files' has the meaning given that term in section 701(b) of the National Security Act of 1947 (50 U.S.C. 431(b)), except that the references to elements of the Central Intelligence Agency do not apply.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by adding at the end the following:

''426. Protection of sensitive information: operational files of the Defense Intelligence Agency.''.

Subtitle F—Other Matters

SEC. 1051. COMMEMORATION OF THE FIFTIETH ANNIVERSARY OF THE UNIFORM CODE OF MILITARY JUSTICE.

(a) FINDINGS.—Congress makes the following findings:

(1) The American military justice system predates the United States itself, having had a continuous existence since the enactment of the first American Articles of War by the Continental Congress in 1775.

(2) Pursuant to article I of the Constitution, which explicitly empowers Congress ''To make Rules for the Government and Regulation of the land and naval Forces'', Congress enacted the Articles of War and an Act to Govern the Navy, which were revised on several occasions between the ratification of the Constitution and the end of World War II.

(3) Dissatisfaction with the administration of military justice in World War I and World War II led both to significant statutory reforms in the Articles of War and to the convening of a committee, under Department of Defense auspices, to draft a uniform code of military justice applicable to all of the Armed Forces.

(4) The committee, chaired by Professor Edmund M. Morgan of Harvard Law School, made recommendations that formed the basis of bills introduced in Congress to establish such a uniform code of military justice.

(5) After lengthy hearings and debate on the congressional proposals, the Uniform Code of Military Justice was enacted into law on May 5, 1950, when President Harry S. Truman signed the legislation.

(6) President Truman then issued a revised Manual for Courts-Martial implementing the new code, and the code became effective on May 31, 1951.

(7) One of the greatest innovations of the Uniform Code of Military Justice was the establishment of a civilian court of appeals within the military justice system. That court, the United States Court of Military Appeals (now the United States Court of Appeals for the Armed Forces), held its first session on July 25, 1951.

(8) Congress enacted major revisions of the Uniform Code of Military Justice in 1968 and 1983 and, in addition, has amended the code from time to time over the years as practice under the code indicated a need for updating the substance or procedure of the law of military justice.

(9) The evolution of the system of military justice under the Uniform Code of Military Justice may be traced in the decisions of the Courts of Criminal Appeals of each of the Armed Forces and the decisions of the United States Court of Appeals for the Armed Forces. These courts have produced a unique body of jurisprudence upon which commanders and judge advocates rely in the performance of their duties.

(10) It is altogether fitting that the fiftieth anniversary of the Uniform Code of Military Justice be duly commemorated.

(b) COMMEMORATION.—The Congress—

(1) requests the President to issue a proclamation commemorating the fiftieth anniversary of the Uniform Code of Military Justice; and

(2) calls upon the Department of Defense, the Armed Forces, and the United States Court of Appeals for the Armed Forces to commemorate the occasion with ceremonies and activities befitting its importance.

SEC. 1052. TECHNICAL CORRECTIONS.

(a) THRESHOLD DATE FOR EFFECTIVENESS OF AGREEMENTS TO MAKE AN SBP ELECTION.—(1) Section 657(a)(1)(A) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 668; 10 U.S.C. 1450 note) is amended by striking ''August 21, 1983'' and inserting ''August 19, 1983''.

(2) The amendment made by paragraph (1) shall take effect as of October 5, 1999, and shall apply as if included in section 657(a)(1)(A) of Public Law 106–65 on that date.

(b) STATE OF INCORPORATION OF FLEET RESERVE ASSOCIATION.—Sections 70102(a) and 70108(a) of title 36, United States Code, are amended by striking ''Delaware'' and inserting ''Pennsylvania''.

SEC. 1053. ELIGIBILITY OF DEPENDENTS OF AMERICAN RED CROSS EMPLOYEES FOR ENROLLMENT IN DEPARTMENT OF DEFENSE DOMESTIC DEPENDENT SCHOOLS IN PUERTO RICO.

Section 2164 of title 10, United States Code, is amended by adding at the end the following:

''(i) AMERICAN RED CROSS EMPLOYEE DEPENDENTS IN PUERTO RICO.—(1) The Secretary of Defense may authorize a dependent of an employee of the American Red Cross performing armed forces emergency services in Puerto Rico to enroll in an educational program provided by the Secretary pursuant to subsection (a) in Puerto Rico.

''(2) In determining the dependency status of any person for the purposes of paragraph (1), the Secretary shall apply the same definitions as apply to the determination of such status with respect to Federal employees in the administration of this section.

''(3) The Secretary shall be paid for the educational services and related items provided to a student under paragraph (1). To determine the amount for educational services, the Secretary shall allocate to the student a share, considered appropriate by the Secretary, of the costs of providing the educational program in which the student is enrolled. The Secretary shall enter into such agreements or take such other actions as the Secretary determines necessary to ensure that the payments required under this paragraph are made.''.

SEC. 1054. GRANTS TO AMERICAN RED CROSS FOR ARMED FORCES EMERGENCY SERVICES.

(a) GRANTS AUTHORIZED.—The Secretary of Defense may, subject to subsection (b), make a grant to the American Red Cross of up to $9,400,000 in each of fiscal years 2001, 2002, and 2003 for the support of the Armed Forces Emergency Services program of the American Red Cross.

(b) MATCHING REQUIREMENT.—A grant may not be made for a fiscal year under subsection (a) until the Secretary receives from the American Red Cross a certification providing assurances satisfactory to the Secretary that the American Red Cross will expend for the Armed Forces Emergency Services program for that fiscal year funds, derived from sources other than the Federal Government, in a total amount that equals or exceeds the amount of the grant.

(c) FUNDING.—Of the amount authorized to be appropriated by section 301 for operation and maintenance for Defense-wide activities, $9,400,000 shall be available for grants made under this section.

SEC. 1055. TRANSIT PASS PROGRAM FOR CERTAIN DEPARTMENT OF DEFENSE PERSONNEL.

(a) ESTABLISHMENT OF PROGRAM.—To encourage Department of Defense personnel in areas described in subsection (b) to use means other than single-occupancy motor vehicles to commute to or from work, the Secretary of Defense shall exercise the authority provided in section 7905 of title 5, United States Code, to establish a program to provide the personnel in such areas with a transit pass benefit under subsection (b)(2)(A) of such section.

(b) COVERED AREAS.—The Secretary shall establish the program required by subsection (a) in the areas which do not meet the revised national ambient air quality standards under section 109 of the Clean Air Act (42 U.S.C. 7409).

(c) TIME FOR IMPLEMENTATION.—The Secretary shall prescribe the effective date for the program required under subsection (a). The effective date so prescribed may not be later than the first day of the first month that begins on or after the date that is 180 days after the date of the enactment of this Act.

SEC. 1056. FEES FOR PROVIDING HISTORICAL INFORMATION TO THE PUBLIC.

(a) ARMY.—(1) Chapter 437 of title 10, United States Code, is amended by adding at the end the following:

''§ 4595. Army Military History Institute: fee for providing historical information to the public

''(a) AUTHORITY.—Except as provided in subsection (b), the Secretary of the Army may charge a person a fee for providing the person with information from the United States Army Military History Institute that is requested by that person.

''(b) EXCEPTIONS.—A fee may not be charged under this section—

''(1) to a person for information that the person requests to carry out a duty as a member of the armed forces or an officer or employee of the United States; or

''(2) for a release of information under section 552 of title 5.

''(c) LIMITATION ON AMOUNT.—A fee charged for providing information under this section may not exceed the cost of providing the information.

''(d) RETENTION OF FEES.—Amounts received under subsection (a) for providing information in any fiscal year shall be credited to the appropriation or appropriations charged the costs of providing information to the public from the United States Army Military History Institute during that fiscal year.

''(e) DEFINITIONS.—In this section:

''(1) The term 'United States Army Military History Institute' means the archive for historical records and materials of the Army that the Secretary of the Army designates as the primary archive for such records and materials.

''(2) The terms 'officer of the United States' and 'employee of the United States' have the meanings given the terms 'officer' and 'employee', respectively, in sections 2104 and 2105, respectively, of title 5.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

''4595. Army Military History Institute: fee for providing historical information to the public.''.

(b) NAVY.—(1) Chapter 649 of such title 10 is amended by adding at the end the following new section:

''§ 7582. Naval and Marine Corps Historical Centers: fee for providing historical information to the public

''(a) AUTHORITY.—Except as provided in subsection (b), the Secretary of the Navy may charge a person a fee for providing the person with information from the United States Naval Historical Center or the Marine Corps Historical Center that is requested by that person.

''(b) EXCEPTIONS.—A fee may not be charged under this section—

''(1) to a person for information that the person requests to carry out a duty as a member of the armed forces or an officer or employee of the United States; or

''(2) for a release of information under section 552 of title 5.

''(c) LIMITATION ON AMOUNT.—A fee charged for providing information under this section

may not exceed the cost of providing the information.

''(d) RETENTION OF FEES.—Amounts received under subsection (a) for providing information from the United States Naval Historical Center or the Marine Corps Historical Center in any fiscal year shall be credited to the appropriation or appropriations charged the costs of providing information to the public from that historical center during that fiscal year.

''(e) DEFINITIONS.—In this section:

''(1) The term 'United States Naval Historical Center' means the archive for historical records and materials of the Navy that the Secretary of the Navy designates as the primary archive for such records and materials.

''(2) The term 'Marine Corps Historical Center' means the archive for historical records and materials of the Marine Corps that the Secretary of the Navy designates as the primary archive for such records and materials.

''(3) The terms 'officer of the United States' and 'employee of the United States' have the meanings given the terms 'officer' and 'employee', respectively, in sections 2104 and 2105, respectively, of title 5.''.

*(2) The heading of such chapter is amended by striking ''**RELATED**''.*

(3)(A) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''7582. Naval and Marine Corps Historical Centers: fee for providing historical information to the public.''.

(B) The item relating to such chapter in the tables of chapters at the beginning of subtitle C of title 10, United States Code, and the beginning of part IV of such subtitle is amended by striking out ''Related''.

(c) AIR FORCE.—(1) Chapter 937 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 9594. Air Force Military History Institute: fee for providing historical information to the public

''(a) AUTHORITY.—Except as provided in subsection (b), the Secretary of the Air Force may charge a person a fee for providing the person with information from the United States Air Force Military History Institute that is requested by that person.

''(b) EXCEPTIONS.—A fee may not be charged under this section—

''(1) to a person for information that the person requests to carry out a duty as a member of the armed forces or an officer or employee of the United States; or

''(2) for a release of information under section 552 of title 5.

''(c) LIMITATION ON AMOUNT.—A fee charged for providing information under this section may not exceed the cost of providing the information.

''(d) RETENTION OF FEES.—Amounts received under subsection (a) for providing information in any fiscal year shall be credited to the appropriation or appropriations charged the costs of providing information to the public from the United States Air Force Military History Institute during that fiscal year.

''(e) DEFINITIONS.—In this section:

''(1) The term 'United States Air Force Military History Institute' means the archive for historical records and materials of the Air Force that the Secretary of the Air Force designates as the primary archive for such records and materials.

''(2) The terms 'officer of the United States' and 'employee of the United States' have the meanings given the terms 'officer' and 'employee', respectively, in sections 2104 and 2105, respectively, of title 5.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''9594. Air Force Military History Institute: fee for providing historical information to the public.''.

SEC. 1057. ACCESS TO CRIMINAL HISTORY RECORD INFORMATION FOR NATIONAL SECURITY PURPOSES.

(a) CONDITIONS FOR AVAILABILITY OF INFORMATION.—Subsection (b) of section 9101 of title 5, United States Code, is amended—

(1) by striking paragraph (3);

(2) by redesignating paragraph (2) as paragraph (4);

(3) in paragraph (1)—

(A) in the first sentence—

(i) by inserting ''the Department of Transportation,'' after ''the Department of State,''; and

(ii) by inserting ''the following:'' after ''eligibility for''; and

(B) by striking ''(A) access to classified information'' and all that follows through the end of the paragraph and inserting the following:

''(A) Access to classified information.

''(B) Assignment to or retention in sensitive national security duties.

''(C) Acceptance or retention in the armed forces.

''(D) Appointment, retention, or assignment to a position of public trust or a critical or sensitive position while either employed by the Federal Government or performing a Federal Government contract.

''(2) If the criminal justice agency possesses the capability to provide automated criminal history record information based on a search of its records by name and other common identifiers, the agency shall provide the requester with full criminal history record information for individuals who meet the matching criteria.

''(3) Fees, if any, charged for providing criminal history record information pursuant to this subsection may not exceed the reasonable cost of providing such information through an automated name search.''; and

(4) by adding at the end the following:

''(5) A criminal justice agency may not require, as a condition for the release of criminal history record information under this subsection, that any official of a department or agency named in paragraph (1) enter into an agreement with a State or local government to indemnify and hold harmless the State or locality for damages, costs, or other monetary loss arising from the disclosure or use by that department or agency of criminal history record information obtained from the State or local government pursuant to this subsection.''.

(b) USE OF AUTOMATED INFORMATION DELIVERY SYSTEMS.—Such section is further amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following new subsection (e):

''(e)(1) Automated information delivery systems shall be used to provide criminal history record information a department or agency under subsection (b) whenever available.

''(2) Fees, if any, charged for automated access through such systems may not exceed the reasonable cost of providing such access.

''(3) The criminal justice agency providing the criminal history record information through such systems may not limit disclosure on the basis that the repository is accessed from outside the State.

''(4) Information provided through such systems shall be the full and complete criminal history record.

''(5) Criminal justice agencies shall accept and respond to requests for criminal history record information through such systems with printed or photocopied records when requested.''.

SEC. 1058. SENSE OF CONGRESS ON THE NAMING OF THE CVN–77 AIRCRAFT CARRIER.

(a) FINDINGS.—Congress makes the following findings:

(1) Over the last three decades Congress has authorized and appropriated funds for a total of 10 ''NIMITZ'' class aircraft carriers.

(2) The last vessel in the ''NIMITZ'' class of aircraft carriers, CVN–77, is currently under construction and will be delivered in 2008.

(3) The first nine vessels in this class bear the following proud names:

(A) U.S.S. Nimitz (CVN–68).

(B) U.S.S. Dwight D. Eisenhower (CVN–69).

(C) U.S.S. Carl Vinson (CVN–70).

(D) U.S.S. Theodore Roosevelt (CVN–71).

(E) U.S.S. Abraham Lincoln (CVN–72).

(F) U.S.S. George Washington (CVN–73).

(G) U.S.S. John C. Stennis (CVN–74).

(H) U.S.S. Harry S. Truman (CVN–75).

(I) U.S.S. Ronald Reagan (CVN–76).

(4) It is appropriate for Congress to recommend to the President, as Commander in Chief of the Armed Forces, an appropriate name for the final vessel in the ''NIMITZ'' class of aircraft carriers.

(5) Over the last 25 years the vessels in the ''NIMITZ'' class of aircraft carriers have served as one of the principal means of United States diplomacy and as one of the principal means for the defense of the United States and our allies around the world.

(6) The name bestowed upon aircraft carrier CVN–77 should embody the American spirit and provide a lasting symbol of the American commitment to freedom.

(7) The name ''Lexington' has been a symbol of freedom from the first battle of the American Revolution.

(8) The two aircraft carriers previously named U.S.S. Lexington (the CV–2 and the CV–16) served our Nation for 64 years, served in World War II, and earned 13 battle stars.

(9) One of those honored vessels, the CV–2, was lost after having given gallant fight at the Battle of Coral Sea in 1942.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the CVN–77 aircraft carrier should be named the ''U.S.S. Lexington''—

(1) in order to honor the men and women who served in the Armed Forces of the United States during World War II, and the incalculable number of United States citizens on the home front during that war, who mobilized in the name of freedom, and who are today respectfully referred to as the ''Greatest Generation''; and

(2) as a special tribute to the 16,000,000 veterans of the Armed Forces who served on land, sea, and air during World War II (of whom less than 6,000,000 remain alive today) and a lasting symbol of their commitment to freedom as they pass on having proudly taken their place in history.

SEC. 1059. DONATION OF CIVIL WAR CANNON.

(a) AUTHORITY.—The Secretary of the Army shall convey all right, title, and interest of the United States in and to the Civil War era cannon described in subsection (b) to the Edward Dorr Tracey, Jr. Camp 18 of the Sons of the Confederate Veterans.

(b) PROPERTY TO BE CONVEYED.—The cannon referred to in subsection (a) is a 12-pounder Napoleon cannon bearing the following markings:

(1) On the top: ''CS''.

(2) On the face of the muzzle: ''Macon Arsenal, 1864/No.41/1164 ET''.

(3) On the right trunnion: ''Macon Arsenal GEO/1864/No.41/WT.1164/E.T.''.

(c) CONSIDERATION.—No consideration may be required by the Secretary for the conveyance of the cannon under this section.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

(e) RELATIONSHIP TO OTHER LAW.—The conveyance required under this section may be carried out without regard to the Act entitled ''An Act for the preservation of American antiquities'', approved June 8, 1906 (34 Stat. 225; 16 U.S.C. 431 et seq.), popularly referred to as the ''Antiquities Act of 1906''.

SEC. 1060. MAXIMUM SIZE OF PARCEL POST PACKAGES TRANSPORTED OVERSEAS FOR ARMED FORCES POST OFFICES.

Section 3401(b) of title 39, United States Code, is amended by striking ''100 inches in length

and girth combined'' in paragraphs (2) and (3) and inserting ''the maximum size allowed by the Postal Service for fourth class parcel post (known as 'Standard Mail (B)'').

SEC. 1061. AEROSPACE INDUSTRY BLUE RIBBON COMMISSION.

(a) FINDINGS.—Congress makes the following findings:

(1) The United States aerospace industry, composed of manufacturers of commercial, military, and business aircraft, helicopters, aircraft engines, missiles, spacecraft, materials, and related components and equipment, has a unique role in the economic and national security of our Nation.

(2) In 1999, the aerospace industry continued to produce, at $37,000,000,000, the largest trade surplus of any industry in the United States economy.

(3) The United States aerospace industry employs 800,000 Americans in highly skilled positions associated with manufacturing aerospace products.

(4) United States aerospace technology is preeminent in the global marketplace for both defense and commercial products.

(5) History since World War I has demonstrated that a superior aerospace capability usually determines victory in military operations and that a robust, technically innovative aerospace capability will be essential for maintaining United States military superiority in the 21st century.

(6) Federal Government policies concerning investment in aerospace research and development and procurement, controls on the export of services and goods containing advanced technologies, and other aspects of the Government-industry relationship will have a critical impact on the ability of the United States aerospace industry to retain its position of global leadership.

(7) Recent trends in investment in aerospace research and development, in changes in global aerospace market share, and in the development of competitive, non-United States aerospace industries could undermine the future role of the United States aerospace industry in the national economy and in the security of the Nation.

(8) Because the United States aerospace industry stands at an historical crossroads, it is advisable for the President and Congress to appoint a blue ribbon commission to assess the future of the industry and to make recommendations for Federal Government actions to ensure United States preeminence in aerospace in the 21st century.

(b) ESTABLISHMENT.—There is established a Blue Ribbon Commission on the Future of the United States Aerospace Industry.

(c) MEMBERSHIP.—(1) The Commission shall be composed of 12 members appointed, not later than March 1, 2001, as follows:

(A) Up to 6 members appointed by the President.

(B) Two members appointed by the Majority Leader of the Senate.

(C) Two members appointed by the Speaker of the House of Representatives.

(D) One member appointed by the Minority Leader of the Senate.

(E) One member appointed by the Minority Leader of the House of Representatives.

(2) The members of the Commission shall be appointed from among—

(A) persons with extensive experience and national reputations in aerospace manufacturing, economics, finance, national security, international trade or foreign policy; and

(B) persons who are representative of labor organizations associated with the aerospace industry.

(3) Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(4) The President shall designate one member of the Commission to serve as the Chairman.

(5) The Commission shall meet at the call of the Chairman. A majority of the members shall constitute a quorum, but a lesser number may hold hearings for the Commission.

(d) DUTIES.—(1) The Commission shall—

(A) study the issues associated with the future of the United States aerospace industry in the global economy, particularly in relationship to United States national security; and

(B) assess the future importance of the domestic aerospace industry for the economic and national security of the United States.

(2) In order to fulfill its responsibilities, the Commission shall study the following:

(A) The budget process of the Federal Government, particularly with a view to assessing the adequacy of projected budgets of the Federal Government agencies for aerospace research and development and procurement.

(B) The acquisition process of the Federal Government, particularly with a view to assessing—

(i) the adequacy of the current acquisition process of Federal agencies; and

(ii) the procedures for developing and fielding aerospace systems incorporating new technologies in a timely fashion.

(C) The policies, procedures, and methods for the financing and payment of government contracts.

(D) Statutes and regulations governing international trade and the export of technology, particularly with a view to assessing—

(i) the extent to which the current system for controlling the export of aerospace goods, services, and technologies reflects an adequate balance between the need to protect national security and the need to ensure unhindered access to the global marketplace; and

(ii) the adequacy of United States and multilateral trade laws and policies for maintaining the international competitiveness of the United States aerospace industry.

(E) Policies governing taxation, particularly with a view to assessing the impact of current tax laws and practices on the international competitiveness of the aerospace industry.

(F) Programs for the maintenance of the national space launch infrastructure, particularly with a view to assessing the adequacy of current and projected programs for maintaining the national space launch infrastructure.

(G) Programs for the support of science and engineering education, including current programs for supporting aerospace science and engineering efforts at institutions of higher learning, with a view to determining the adequacy of those programs.

(e) REPORT.—(1) Not later than March 1, 2002, the Commission shall submit a report on its activities to the President and Congress.

(2) The report shall include the following:

(A) The Commission's findings and conclusions.

(B) Recommendations for actions by Federal Government agencies to support the maintenance of a robust aerospace industry in the United States in the 21st century.

(C) A discussion of the appropriate means for implementing the recommendations.

(f) IMPLEMENTATION OF RECOMMENDATIONS.—The heads of the executive agencies of the Federal Government having responsibility for matters covered by recommendations of the Commission shall consider the implementation of those recommendations in accordance with regular administrative procedures. The Director of the Office of Management and Budget shall coordinate the consideration of the recommendations among the heads of those agencies.

(g) ADMINISTRATIVE REQUIREMENTS AND AUTHORITIES.—(1) The Director of the Office of Management and Budget shall ensure that the Commission is provided such administrative services, facilities, staff, and other support services as may be necessary. Any expenses of the Commission shall be paid from funds available to the Director.

(2) The Commission may hold hearings, sit and act at times and places, take testimony, and receive evidence that the Commission considers advisable to carry out the purposes of this Act.

(3) The Commission may secure directly from any department or agency of the Federal Government any information that the Commission considers necessary to carry out the provisions of this Act. Upon the request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(4) The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(5) The Commission is an advisory committee for the purposes of the Federal Advisory Committee Act (5 U.S.C. App. 2).

(h) COMMISSION PERSONNEL MATTERS.—(1) Members of the Commission shall serve without additional compensation for their service on the Commission, except that members appointed from among private citizens may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in government service under subchapter I of chapter 57 of title 5, United States Code, while away from their homes and places of business in the performance of services for the Commission.

(2) The Chairman of the Commission may, without regard to the civil service laws and regulations, appoint and terminate any staff that may be necessary to enable the Commission to perform its duties. The employment of a head of staff shall be subject to confirmation by the Commission. The Chairman may fix the compensation of the staff personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rates of pay fixed by the Chairman shall be in compliance with the guidelines prescribed under section 7(d) of the Federal Advisory Committee Act.

(3) Any Federal Government employee may be detailed to the Commission without reimbursement. Any such detail shall be without interruption or loss of civil status or privilege.

(4) The Chairman may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

(i) TERMINATION.—The Commission shall terminate 30 days after the submission of the report under subsection (e).

SEC. 1062. REPORT TO CONGRESS REGARDING EXTENT AND SEVERITY OF CHILD POVERTY.

(a) IN GENERAL.—Not later than June 1, 2001 and prior to any reauthorization of the temporary assistance to needy families program under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) for any fiscal year after fiscal year 2002, the Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall report to Congress on the extent and severity of child poverty in the United States. Such report shall, at a minimum—

(1) determine for the period since the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2105)—

(A) whether the rate of child poverty in the United States has increased;

(B) whether the children who live in poverty in the United States have gotten poorer; and

(C) how changes in the availability of cash and non-cash benefits to poor families have affected child poverty in the United States;

(2) identify alternative methods for defining child poverty that are based on consideration of factors other than family income and resources,

including consideration of a family's work-related expenses; and

(3) contain multiple measures of child poverty in the United States that may include the child poverty gap and the extreme poverty rate.

(b) LEGISLATIVE PROPOSAL.—If the Secretary determines that during the period since the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2105) the extent or severity of child poverty in the United States has increased to any extent, the Secretary shall include with the report to Congress required under subsection (a) a legislative proposal addressing the factors that led to such increase.

SEC. 1063. IMPROVING PROPERTY MANAGEMENT.

(a) IN GENERAL.—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 ''July 31, 2000'' and inserting ''December 31, 2002''.

(b) CONFORMING AMENDMENT.—Section 233 of Appendix E of Public Law 106–113 (113 Stat. 1501A–301) is repealed.

SEC. 1064. SENSE OF THE SENATE REGARDING TAX TREATMENT OF MEMBERS RECEIVING SPECIAL PAY.

It is the sense of the Senate that members of the Armed Forces who receive special pay for duty subject to hostile fire or imminent danger (37 U.S.C. 310) should receive the same tax treatment as members serving in combat zones.

SEC. 1065. DEPARTMENT OF DEFENSE PROCESS FOR DECISIONMAKING IN CASES OF FALSE CLAIMS.

Not later than February 1, 2001, the Secretary of Defense shall submit to Congress a report describing the policies and procedures for Department of Defense decisionmaking on issues arising under sections 3729 through 3733 of title 31, United States Code, in cases of claims submitted to the Department of Defense that are suspected or alleged to be false. The report shall include a discussion of any changes that have been made in the policies and procedures since January 1, 2000.

SEC. 1066. SENSE OF THE SENATE CONCERNING LONG-TERM ECONOMIC DEVELOPMENT AID FOR COMMUNITIES REBUILDING FROM HURRICANE FLOYD.

(a) FINDINGS.—The Senate finds that—

(1) during September 1999, Hurricane Floyd ran a path of destruction along the entire eastern seaboard from Florida to Maine;

(2) Hurricane Floyd was the most destructive natural disaster in the history of the State of North Carolina and most costly natural disaster in the history of the State of New Jersey;

(3) the Federal Emergency Management Agency declared Hurricane Floyd the eighth worst natural disaster of the past decade;

(4) although the Federal Emergency Management Agency coordinates the Federal response to natural disasters that exceed the capabilities of State and local governments and assists communities to recover from those disasters, the Federal Emergency Management Agency is not equipped to provide long-term economic recovery assistance;

(5) it has been 9 months since Hurricane Floyd and the Nation has hundreds of communities that have yet to recover from the devastation caused by that disaster;

(6) in the past, Congress has responded to natural disasters by providing additional economic community development assistance to communities recovering from those disasters, including $250,000,000 for Hurricane Georges in 1998, $552,000,000 for Red River Valley floods in North Dakota in 1997, $25,000,000 for Hurricanes Fran and Hortense in 1996, and $725,000,000 for the Northridge Earthquake in California in 1994;

(7) additional assistance provided by Congress to communities recovering from natural disasters has been in the form of community development block grants administered by the Department of Housing and Urban Development;

(8) communities affected by Hurricane Floyd are facing similar recovery needs as have victims of other natural disasters and will need long-term economic recovery plans to make them strong again; and

(9) on April 7, 2000, the Senate passed amendment number 3001 to S. Con. Res. 101, which amendment would allocate $250,000,000 in long-term economic development aid to assist communities rebuilding from Hurricane Floyd, including $150,000,000 in community development block grant funding and $50,000,000 in rural facilities grant funding.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) communities devastated by Hurricane Floyd should know that, in the past, Congress has responded to natural disasters by demonstrating a commitment to helping affected States and communities to recover;

(2) the Federal response to natural disasters has traditionally been quick, supportive, and appropriate;

(3) recognizing that communities devastated by Hurricane Floyd are facing tremendous challenges as they begin their recovery, the Federal agencies that administer community and regional development programs should expect an increase in applications and other requests from these communities;

(4) community development block grants administered by the Department of Housing and Urban Development, grant programs administered by the Economic Development Administration, and the Community Facilities Grant Program administered by the Department of Agriculture are resources that communities have used to accomplish revitalization and economic development following natural disasters; and

(5) additional community and regional development funding, as provided for in amendment number 3001 to S. Con. Res. 101, as passed by the Senate on April 7, 2000, should be appropriated to assist communities in need of long-term economic development aid as a result of damage suffered by Hurricane Floyd.

SEC. 1067. AUTHORITY TO PROVIDE HEADSTONES OR MARKERS FOR MARKED GRAVES OR OTHERWISE COMMEMORATE CERTAIN INDIVIDUALS.

(a) IN GENERAL.—Section 2306 of title 38, United States Code, is amended—

(1) in subsections (a) and (e)(1), by striking ''the unmarked graves of''; and

(2) by adding at the end the following:

''(f) A headstone or marker furnished under subsection (a) shall be furnished, upon request, for the marked grave or unmarked grave of the individual or at another area appropriate for the purpose of commemorating the individual.''.

(b) APPLICABILITY.—(1) Except as provided in paragraph (2), the amendment to subsection (a) of section 2306 of title 38, United States Code, made by subsection (a) of this section, and subsection (f) of such section 2306, as added by subsection (a) of this section, shall apply with respect to burials occurring before, on, or after the date of the enactment of this Act.

(2) The amendments referred to in paragraph (1) shall not apply in the case of the grave for any individual who died before November 1, 1990, for which the Administrator of Veterans' Affairs provided reimbursement in lieu of furnishing a headstone or marker under subsection (d) of section 906 of title 38, United States Code, as such subsection was in effect after September 30, 1978, and before November 1, 1990.

SEC. 1068. COMPREHENSIVE STUDY AND SUPPORT FOR CRIMINAL INVESTIGATIONS AND PROSECUTIONS BY STATE AND LOCAL LAW ENFORCEMENT OFFICIALS.

(a) STUDIES.—

(1) COLLECTION OF DATA.—

(A) DEFINITION OF RELEVANT OFFENSE.—In this paragraph, the term ''relevant offense'' means a crime described in subsection (b)(1) of the first section of Public Law 101–275 (28 U.S.C. 534 note) and a crime that manifests evidence of prejudice based on gender or age.

(B) COLLECTION FROM CROSS-SECTION OF STATES.—Not later than 120 days after the date of enactment of this Act, the Comptroller General of the United States, in consultation with the National Governors' Association, shall select 10 jurisdictions with laws classifying certain types of offenses as relevant offenses and 10 jurisdictions without such laws from which to collect the data described in subparagraph (C) over a 12-month period.

(C) DATA TO BE COLLECTED.—The data described in this paragraph are—

(i) the number of relevant offenses that are reported and investigated in the jurisdiction;

(ii) the percentage of relevant offenses that are prosecuted and the percentage that result in conviction;

(iii) the duration of the sentences imposed for crimes classified as relevant offenses in the jurisdiction, compared with the length of sentences imposed for similar crimes committed in jurisdictions with no laws relating to relevant offenses; and

(iv) references to and descriptions of the laws under which the offenders were punished.

(D) COSTS.—Participating jurisdictions shall be reimbursed for the reasonable and necessary costs of compiling data collected under this paragraph.

(2) STUDY OF RELEVANT OFFENSE ACTIVITY.—

(A) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States shall complete a study and submit to Congress a report that analyzes the data collected under paragraph (1) and under section 534 of title 28, United States Code, to determine the extent of relevant offense activity throughout the United States and the success of State and local officials in combating that activity.

(B) IDENTIFICATION OF TRENDS.—In the study conducted under subparagraph (A), the Comptroller General of the United States shall identify any trends in the commission of relevant offenses specifically by—

(i) geographic region;

(ii) type of crime committed; and

(iii) the number and percentage of relevant offenses that are prosecuted and the number for which convictions are obtained.

(b) ASSISTANCE OTHER THAN FINANCIAL ASSISTANCE.—At the request of a law enforcement official of a State or a political subdivision of a State, the Attorney General, acting through the Director of the Federal Bureau of Investigation and in cases where the Attorney General determines special circumstances exist, may provide technical, forensic, prosecutorial, or any other assistance in the criminal investigation or prosecution of any crime that—

(1) constitutes a crime of violence (as defined in section 16 of title 18, United States Code);

(2) constitutes a felony under the laws of the State; and

(3) is motivated by animus against the victim by reason of the membership of the victim in a particular class or group.

(c) GRANTS.—

(1) IN GENERAL.—The Attorney General may, in cases where the Attorney General determines special circumstances exist, make grants to States and local subdivisions of States to assist those entities in the investigation and prosecution of crimes motivated by animus against the victim by reason of the membership of the victim in a particular class or group.

(2) ELIGIBILITY.—A State or political subdivision of a State applying for assistance under this subsection shall—

(A) describe the purposes for which the grant is needed; and

(B) certify that the State or political subdivision lacks the resources necessary to investigate or prosecute a crime motivated by animus against the victim by reason of the membership of the victim in a particular class or group.

(3) DEADLINE.—An application for a grant under this subsection shall be approved or disapproved by the Attorney General not later than 10 days after the application is submitted.

(4) GRANT AMOUNT.—A grant under this subsection shall not exceed $100,000 for any single case.

(5) REPORT AND AUDIT.—Not later than December 31, 2001, the Attorney General, in consultation with the National Governors' Association, shall—

(A) submit to Congress a report describing the applications made for grants under this subsection, the award of such grants, and the effectiveness of the grant funds awarded; and

(B) conduct an audit of the grants awarded under this subsection to ensure that such grants are used for the purposes provided in this subsection.

(6) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $5,000,000 for each of the fiscal years 2001 and 2002 to carry out this section.

SEC. 1069. STUDENT LOAN REPAYMENT PROGRAMS.

(a) STUDENT LOANS.—Section 5379(a)(1)(B) of title 5, United States Code, is amended—

(1) in clause (i), by inserting ''(20 U.S.C. 1071 et seq.)'' before the semicolon;

(2) in clause (ii), by striking ''part E of title IV of the Higher Education Act of 1965'' and inserting ''part D or E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1087a et seq., 1087aa et seq.)''; and

(3) in clause (iii), by striking ''part C of title VII of Public Health Service Act or under part B of title VIII of such Act'' and inserting ''part A of title VII of the Public Health Service Act (42 U.S.C. 292 et seq.) or under part E of title VIII of such Act (42 U.S.C. 297a et seq.)''.

(b) PERSONNEL COVERED.—

(1) INELIGIBLE PERSONNEL.—Section 5379(a)(2) of title 5, United States Code, is amended to read as follows:

''(2) An employee shall be ineligible for benefits under this section if the employee occupies a position that is excepted from the competitive service because of its confidential, policy-determining, policy-making, or policy-advocating character.''.

(2) PERSONNEL RECRUITED OR RETAINED.—Section 5379(b)(1) of title 5, United States Code, is amended by striking ''professional, technical, or administrative''.

(c) REGULATIONS.—

(1) PROPOSED REGULATIONS.—Not later than 60 days after the date of enactment of this Act, the Director of the Office of Personnel Management (referred to in this section as the ''Director'') shall issue proposed regulations under section 5379(g) of title 5, United States Code. The Director shall provide for a period of not less than 60 days for public comment on the regulations.

(2) FINAL REGULATIONS.—Not later than 240 days after the date of enactment of this Act, the Director shall issue final regulations described in paragraph (1).

(d) ANNUAL REPORTS.—Section 5379 of title 5, United States Code, is amended by adding at the end the following:

''(h)(1) Each head of an agency shall maintain, and annually submit to the Director of the Office of Personnel Management, information with respect to the agency on—

''(A) the number of Federal employees selected to receive benefits under this section;

''(B) the job classifications for the recipients; and

''(C) the cost to the Federal Government of providing the benefits.

''(2) The Director of the Office of Personnel Management shall prepare, and annually submit to Congress, a report containing the information submitted under paragraph (1), and information identifying the agencies that have provided the benefits described in paragraph (1).''.

SEC. 1070. SENSE OF THE SENATE ON THE MODERNIZATION OF AIR NATIONAL GUARD F–16A UNITS.

(a) FINDINGS.—Congress finds that:

(1) Certain United States Air Force Air National Guard fighter units are flying some of the world's oldest and least capable F–16A aircraft which are approaching the end of their service lives.

(2) The aircraft are generally incompatible with those flown by the active force and therefore cannot be effectively deployed to theaters of operation to support contingencies and to relieve the high operations tempo of active duty units.

(3) The Air Force has specified no plans to replace these obsolescent aircraft before the year 2007 at the earliest.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that in light of these findings the Air Force should, by February 1, 2001, provide the Congress with a plan to modernize and upgrade the combat capabilities of those Air National Guard units that are now flying F–16As so they can deploy as part of Air Expeditionary Forces and assist in relieving the high operations tempo of active duty units.

SEC. 1071. TWO-YEAR EXTENSION OF AUTHORITY TO ENGAGE IN COMMERCIAL ACTIVITIES AS SECURITY FOR INTELLIGENCE COLLECTION ACTIVITIES.

Section 431(a) of title 10, United States Code, is amended in the second sentence by striking ''December 31, 2000'' and inserting ''December 31, 2002''.

SEC. 1072. FIREFIGHTER INVESTMENT AND RESPONSE ENHANCEMENT.

The Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2201 et seq.) is amended by adding at the end the following:

''SEC. 33. FIREFIGHTER INVESTMENT AND RESPONSE ENHANCEMENT.

''(a) DEFINITION OF FIREFIGHTING PERSONNEL.—In this section, the term 'firefighting personnel' means individuals, including volunteers, who are firefighters, officers of fire departments, or emergency medical service personnel of fire departments.

''(b) ASSISTANCE PROGRAM.—

''(1) AUTHORITY.—In accordance with this section, the Director may—

''(A) make grants on a competitive basis to fire departments for the purpose of protecting the health and safety of the public and firefighting personnel against fire and fire-related hazards; and

''(B) provide assistance for fire prevention programs in accordance with paragraph (4).

''(2) ESTABLISHMENT OF OFFICE FOR ADMINISTRATION OF ASSISTANCE.—Before providing assistance under paragraph (1), the Director shall establish an office in the Federal Emergency Management Agency that shall have the duties of establishing specific criteria for the selection of recipients of the assistance, and administering the assistance, under this section.

''(3) USE OF FIRE DEPARTMENT GRANT FUNDS.—The Director may make a grant under paragraph (1)(A) only if the applicant for the grant agrees to use the grant funds—

''(A) to hire additional firefighting personnel;

''(B) to train firefighting personnel in firefighting, emergency response, arson prevention and detection, or the handling of hazardous materials, or to train firefighting personnel to provide any of the training described in this subparagraph;

''(C) to fund the creation of rapid intervention teams to protect firefighting personnel at the scenes of fires and other emergencies;

''(D) to certify fire inspectors;

''(E) to establish wellness and fitness programs for firefighting personnel to ensure that the firefighting personnel can carry out their duties;

''(F) to fund emergency medical services provided by fire departments;

''(G) to acquire additional firefighting vehicles, including fire trucks;

''(H) to acquire additional firefighting equipment, including equipment for communications and monitoring;

''(I) to acquire personal protective equipment required for firefighting personnel by the Occupational Safety and Health Administration, and other personal protective equipment for firefighting personnel;

''(J) to modify fire stations, fire training facilities, and other facilities to protect the health and safety of firefighting personnel;

''(K) to enforce fire codes;

''(L) to fund fire prevention programs; or

''(M) to educate the public about arson prevention and detection.

''(4) FIRE PREVENTION PROGRAMS.—

''(A) IN GENERAL.—For each fiscal year, the Director shall use not less than 10 percent of the funds made available under subsection (c)—

''(i) to make grants to fire departments for the purpose described in paragraph (3)(L); and

''(ii) to make grants to, or enter into contracts or cooperative agreements with, national, State, local, or community organizations that are recognized for their experience and expertise with respect to fire prevention or fire safety programs and activities, for the purpose of carrying out fire prevention programs.

''(B) PRIORITY.—In selecting organizations described in subparagraph (A)(ii) to receive assistance under this paragraph, the Director shall give priority to organizations that focus on prevention of injuries to children from fire.

''(5) APPLICATION.—The Director may provide assistance to a fire department or organization under this subsection only if the fire department or organization seeking the assistance submits to the Director an application in such form and containing such information as the Director may require.

''(6) MATCHING REQUIREMENT.—The Director may provide assistance under this subsection only if the applicant for the assistance agrees to match with an equal amount of non-Federal funds 10 percent of the assistance received under this subsection for any fiscal year.

''(7) MAINTENANCE OF EXPENDITURES—The Director may provide assistance under this subsection only if the applicant for the assistance agrees to maintain in the fiscal year for which the assistance will be received the applicant's aggregate expenditures for the uses described in paragraph (3) or (4) at or above the average level of such expenditures in the 2 fiscal years preceding the fiscal year for which the assistance will be received.

''(8) REPORT TO THE DIRECTOR.—The Director may provide assistance under this subsection only if the applicant for the assistance agrees to submit to the Director a report, including a description of how the assistance was used, with respect to each fiscal year for which the assistance was received.

''(9) VARIETY OF FIRE DEPARTMENT GRANT RECIPIENTS.—The Director shall ensure that grants under paragraph (1)(A) for a fiscal year are made to a variety of fire departments, including, to the extent that there are eligible applicants—

''(A) paid, volunteer, and combination fire departments;

''(B) fire departments located in communities of varying sizes; and

''(C) fire departments located in urban, suburban, and rural communities.

''(10) LIMITATION ON EXPENDITURES FOR FIREFIGHTING VEHICLES.—The Director shall ensure that not more than 25 percent of the assistance made available under this subsection for a fiscal year is used for the use described in paragraph (3)(G).

''(c) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to the Director—

''(A) $100,000,000 for fiscal year 2001;

''(B) $200,000,000 for fiscal year 2002;

''(C) $400,000,000 for fiscal year 2003;

''(D) $600,000,000 for fiscal year 2004;

''(E) $800,000,000 for fiscal year 2005; and

''(F) $1,000,000,000 for fiscal year 2006.

''(2) LIMITATION ON ADMINISTRATIVE COSTS.—Of the amounts made available under paragraph (1) for a fiscal year, the Director may use

not more than 10 percent for the administrative costs of carrying out this section.''.

SEC. 1073. BREAST CANCER STAMP EXTENSION.

Section 414(g) of title 39, United States Code, is amended by striking ''2-year'' and inserting ''4-year''.

SEC. 1074. PERSONNEL SECURITY POLICIES.

No officer or employee of the Department of Defense or any contractor thereof, and no member of the Armed Forces shall be granted a security clearance if that person—

(1) has been convicted in any court within the United States of a crime and sentenced to imprisonment for a term exceeding 1 year;

(2) is an unlawful user of or addicted to any controlled substance (as defined in section 102 of the Controlled Substances Act);

(3) is currently mentally incompetent; or

(4) has been discharged from the Armed Forces under dishonorable conditions.

SEC. 1075. ADDITIONAL MATTERS FOR ANNUAL REPORT ON TRANSFERS OF MILITARILY SENSITIVE TECHNOLOGY TO COUNTRIES AND ENTITIES OF CONCERN.

Section 1402(b) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 798) is amended by adding at the end the following:

''(4) The status of the implementation or other disposition of recommendations included in reports of audits by Inspectors General that have been set forth in previous annual reports under this section.''.

SEC. 1076. NATIONAL SECURITY IMPLICATIONS OF UNITED STATES-CHINA TRADE RELATIONSHIP.

(a) IN GENERAL.—

(1) NAME OF COMMISSION.—Section 127(c)(1) of the Trade Deficit Review Commission Act (19 U.S.C. 2213 note) is amended by striking ''Trade Deficit Review Commission'' and inserting ''United States-China Security Review Commission''.

(2) QUALIFICATIONS OF MEMBERS.—Section 127(c)(3)(B)(i)(I) of such Act (19 U.S.C. 2213 note) is amended by inserting ''national security matters and United States-China relations,'' after ''expertise in''.

(3) PERIOD OF APPOINTMENT.—Section 127(c)(3)(A) of such Act (19 U.S.C. 2213 note) is amended to read as follows:

''(A) IN GENERAL.—

''(i) APPOINTMENT BEGINNING WITH 107th CONGRESS.—Beginning with the 107th Congress and each new Congress thereafter, members shall be appointed not later than 30 days after the date on which Congress convenes. Members may be reappointed for additional terms of service.

''(ii) TRANSITION.—Members serving on the Commission shall continue to serve until such time as new members are appointed.''.

(b) PURPOSE.—Section 127(k) of the Trade Deficit Review Commission Act (19 U.S.C. 2213 note) is amended to read as follows:

''(k) UNITED STATES-CHINA NATIONAL SECURITY IMPLICATIONS.—

''(1) IN GENERAL.—Upon submission of the report described in subsection (e), the Commission shall—

''(A) wind up the functions of the Trade Deficit Review Commission; and

''(B) monitor, investigate, and report to Congress on the national security implications of the bilateral trade and economic relationship between the United States and the People's Republic of China.

''(2) ANNUAL REPORT.—Not later than March 1, 2002, and annually thereafter, the Commission shall submit a report to Congress, in both unclassified and classified form, regarding the national security implications and impact of the bilateral trade and economic relationship between the United States and the People's Republic of China. The report shall include a full analysis, along with conclusions and recommendations for legislative and administrative actions, of the national security implications for the United States of the trade and current balances with the People's Republic of China in goods and services, financial transactions, and technology transfers. The Commission shall also take into account patterns of trade and transfers through third countries to the extent practicable.

''(3) CONTENTS OF REPORT.—The report described in paragraph (2) shall include, at a minimum, a full discussion of the following:

''(A) The portion of trade in goods and services with the United States that the People's Republic of China dedicates to military systems or systems of a dual nature that could be used for military purposes.

''(B) The acquisition by the Government of the People's Republic of China and entities controlled by the Government of advanced military technologies through United States trade and technology transfers.

''(C) Any transfers, other than those identified under subparagraph (B), to the military systems of the People's Republic of China made by United States firms and United States-based multinational corporations.

''(D) An analysis of the statements and writing of the People's Republic of China officials and officially-sanctioned writings that bear on the intentions of the Government of the People's Republic of China regarding the pursuit of military competition with, and leverage over, the United States and the Asian allies of the United States.

''(E) The military actions taken by the Government of the People's Republic of China during the preceding year that bear on the national security of the United States and the regional stability of the Asian allies of the United States.

''(F) The effects to the national security interests of the United States of the use by the People's Republic of China of financial transactions, capital flow, and currency manipulations.

''(G) Any action taken by the Government of the People's Republic of China in the context of the World Trade Organization that is adverse to the United States national security interests.

''(H) Patterns of trade and investment between the People's Republic of China and its major trading partners, other than the United States, that appear to be substantively different from trade and investment patterns with the United States and whether the differences constitute a security problem for the United States.

''(I) The extent to which the trade surplus of the People's Republic of China with the United States enhances the military budget of the People's Republic of China.

''(J) An overall assessment of the state of the security challenges presented by the People's Republic of China to the United States and whether the security challenges are increasing or decreasing from previous years.

''(4) RECOMMENDATIONS OF REPORT.—The report described in paragraph (2) shall include recommendations for action by Congress or the President, or both, including specific recommendations for the United States to invoke Article XXI (relating to security exceptions) of the General Agreement on Tariffs and Trade 1994 with respect to the People's Republic of China, as a result of any adverse impact on the national security interests of the United States.''.

(c) CONFORMING AMENDMENTS.—

(1) HEARINGS.—Section 127(f)(1) of such Act (19 U.S.C. 2213 note) is amended to read as follows:

''(1) HEARINGS.—

''(A) IN GENERAL.—The Commission or, at its direction, any panel or member of the Commission, may for the purpose of carrying out the provisions of this Act, hold hearings, sit and act at times and places, take testimony, receive evidence, and administer oaths to the extent that the Commission or any panel or member considers advisable.

''(B) INFORMATION.—The Commission may secure directly from the Department of Defense, the Central Intelligence Agency, and any other Federal department or agency information that the Commission considers necessary to enable the Commission to carry out its responsibilities under this Act, except the provision of intelligence information to the Commission shall be made with due regard for the protection from unauthorized disclosure of classified information relating to sensitive intelligence sources and methods or other exceptionally sensitive matters, under procedures approved by the Director of Central Intelligence.

''(C) SECURITY.—The Office of Senate Security shall—

''(i) provide classified storage and meeting and hearing spaces, when necessary, for the Commission; and

''(ii) assist members and staff of the Commission in obtaining security clearances.

''(D) SECURITY CLEARANCES.—All members of the Commission and appropriate staff shall be sworn and hold appropriate security clearances.''.

(2) CHAIRMAN.—

(A) Section 127(c)(6) of such Act (19 U.S.C. 2213 note) is amended by striking ''Chairperson'' and inserting ''Chairman''.

(B) Section 127(g) of such Act (19 U.S.C. 2213 note) is amended by striking ''Chairperson'' each place it appears and inserting ''Chairman''.

(3) CHAIRMAN AND VICE CHAIRMAN.—Section 127(c)(7) of such Act (19 U.S.C. 2213 note) is amended—

(A) by striking ''CHAIRPERSON AND VICE CHAIRPERSON'' in the heading and inserting ''CHAIRMAN AND VICE CHAIRMAN'';

(B) by striking ''chairperson'' and ''vice chairperson'' in the text and inserting ''Chairman'' and ''Vice Chairman''; and

(C) by inserting ''at the beginning of each new Congress'' before the end period.

(d) APPROPRIATIONS.—Section 127(i) of such Act (19 U.S.C. 2213 note) is amended to read as follows:

''(i) AUTHORIZATION.—

''(1) IN GENERAL.—There are authorized to be appropriated to the Commission for fiscal year 2001, and each fiscal year thereafter, such sums as may be necessary to enable it to carry out its functions. Appropriations to the Commission are authorized to remain available until expended. Unobligated balances of appropriations made to the Trade Deficit Review Commission before the effective date of this subsection shall remain available to the Commission on and after such date.

''(2) FOREIGN TRAVEL FOR OFFICIAL PURPOSES.—Foreign travel for official purposes by members and staff of the Commission may be authorized by either the Chairman or the Vice Chairman.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of the 107th Congress.

SEC. 1077. SECRECY POLICIES AND WORKER HEALTH.

(a) REVIEW OF SECRECY POLICIES.—The Secretary of Defense in consultation with the Secretary of Energy shall review classification and security policies and, within appropriate national security constraints, ensure that such policies do not prevent or discourage employees at former nuclear weapons facilities who may have been exposed to radioactive or other hazardous substances associated with nuclear weapons from discussing such exposures with appropriate health care providers and with other appropriate officials. The policies reviewed should include the policy to neither confirm nor deny the presence of nuclear weapons as it is applied to former United States nuclear weapons facilities that no longer contain nuclear weapons or materials.

(b) NOTIFICATION OF AFFECTED EMPLOYEES.—(1) The Secretary of Defense in consultation

with the Secretary of Energy shall seek to identify individuals who are or were employed at Department of Defense sites that no longer store, assemble, disassemble, or maintain nuclear weapons.

(2) Upon determination that such employees may have been exposed to radioactive or hazardous substances associated with nuclear weapons at such sites, such employees shall be notified of any such exposures to radiation, or hazardous substances associated with nuclear weapons.

(3) Such notification shall include an explanation of how such employees can discuss any such exposures with health care providers who do not possess security clearances without violating security or classification procedures or, if necessary, provide guidance to facilitate the ability of such individuals to contact health care providers with appropriate security clearances or discuss such exposures with other officials who are determined by the Secretary of Defense to be appropriate.

(c) The Secretary of Defense in consultation with the Secretary of Energy shall, no later than May 1, 2001, submit a report to the Congressional Defense Committees setting forth—

(1) the results of the review in paragraph (a) including any changes made or recommendations for legislation; and

(2) the status of the notification in paragraph (b) and an anticipated date on which such notification will be completed.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL POLICY

SEC. 1101. COMPUTER/ELECTRONIC ACCOMMODATIONS PROGRAM.

(a) AUTHORITY TO EXPAND PROGRAM.—(1) Chapter 81 of title 10, United States Code, is amended by inserting after section 1581 the following:

"§ 1582. Assistive technology, assistive technology devices, and assistive technology services

''(a) AUTHORITY.—The Secretary of Defense may provide assistive technology, assistive technology devices, and assistive technology services to the following:

''(1) Department of Defense employees with disabilities.

''(2) Organizations within the department that have requirements to make programs or facilities accessible to and usable by persons with disabilities.

''(3) Any other department or agency of the Federal Government, upon the request of the head of that department or agency, for its employees with disabilities or for satisfying a requirement to make its programs or facilities accessible to and usable by persons with disabilities.

''(b) DEFINITIONS.—In this section, the terms 'assistive technology', 'assistive technology device', 'assistive technology service', and 'disability' have the meanings given the terms in section 3 of the Assistive Technology Act of 1998 (29 U.S.C. 3002).''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1581 the following:

''1582. Assistive technology, assistive technology devices, and assistive technology services.''.

(b) FUNDING.—Of the amount authorized to be appropriated under section 301(5) for operation and maintenance for Defense-wide activities, not more than $2,000,000 is available for the purpose of expanding and administering the Computer/Electronic Accommodation Program of the Department of Defense to provide under section 1582 of title 10, United States Code (as added by subsection (a)), the technology, devices, and services described in that section.

SEC. 1102. ADDITIONAL SPECIAL PAY FOR FOREIGN LANGUAGE PROFICIENCY BENEFICIAL FOR UNITED STATES NATIONAL SECURITY INTERESTS.

(a) IN GENERAL.—Chapter 81 of title 10, United States Code, is amended by inserting after section 1596 the following new section:

"§ 1596a. Foreign language proficiency: special pay for proficiency beneficial for other national security interests

''(a) AUTHORITY.—The Secretary of Defense may pay special pay under this section to an employee of the Department of Defense who—

''(1) has been certified by the Secretary to be proficient in a foreign language identified by the Secretary as being a language in which proficiency by civilian personnel of the department is necessary because of national security interests;

''(2) is assigned duties requiring proficiency in that foreign language; and

''(3) is not receiving special pay under section 1596 of this title.

''(b) RATE.—The rate of special pay for an employee under this section shall be prescribed by the Secretary, but may not exceed five percent of the employee's rate of basic pay.

''(c) RELATIONSHIP TO OTHER PAY AND ALLOWANCES.—Special pay under this section is in addition to any other pay or allowances to which the employee is entitled.

''(d) REGULATIONS.—The Secretary of Defense shall prescribe regulations to carry out this section.''.

(b) AMENDMENT TO DISTINGUISH OTHER FOREIGN LANGUAGE PROFICIENCY SPECIAL PAY.—The heading for section 1596 of title 10, United States Code, is amended to read as follows:

"§ 1596. Foreign language proficiency: special pay for proficiency beneficial for intelligence interests".

(c) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 81 of such title is amended by striking the item relating to section 1596 and inserting the following:

''1596. Foreign language proficiency: special pay for proficiency beneficial for intelligence interests.

''1596a. Foreign language proficiency: special pay for proficiency beneficial for other national security interests.''.

SEC. 1103. INCREASED NUMBER OF POSITIONS AUTHORIZED FOR THE DEFENSE INTELLIGENCE SENIOR EXECUTIVE SERVICE.

Section 1606(a) of title 10, United States Code, is amended by striking ''492'' and inserting ''517''.

SEC. 1104. EXTENSION OF AUTHORITY FOR TUITION REIMBURSEMENT AND TRAINING FOR CIVILIAN EMPLOYEES IN THE DEFENSE ACQUISITION WORKFORCE.

Section 1745(a) of title 10, United States Code, is amended by striking ''September 30, 2001'' in the second sentence and inserting ''September 30, 2010''.

SEC. 1105. WORK SAFETY DEMONSTRATION PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Defense shall carry out a defense employees work safety demonstration program.

(b) PRIVATE SECTOR WORK SAFETY MODELS.—Under the demonstration program, the Secretary shall—

(1) adopt for use in the workplace of employees of the Department of Defense such work safety models used by employers in the private sector that the Secretary considers as being representative of the best work safety practices in use by private sector employers; and

(2) determine whether the use of those practices in the Department of Defense improves the work safety record of Department of Defense employees.

(c) SITES.—(1) The Secretary shall carry out the demonstration program—

(A) at not fewer than two installations of each of the Armed Forces (other than the Coast Guard), for employees of the military department concerned; and

(B) in at least two Defense Agencies (as defined in section 101(a)(11) of title 10, United States Code).

(2) The Secretary shall select the installations and Defense Agencies from among the installations and Defense Agencies listed in the Federal Worker 2000 Presidential Initiative.

(d) PERIOD FOR PROGRAM.—The demonstration program shall begin not later than 180 days after the date of the enactment of this Act and shall terminate on September 30, 2002.

(e) REPORTS.—(1) The Secretary of Defense shall submit an interim report on the demonstration program to the Committees on Armed Services of the Senate and the House of Representatives not later than December 1, 2001. The interim report shall contain, at a minimum, for each site of the demonstration program the following:

(A) A baseline assessment of the lost workday injury rate.

(B) A comparison of the lost workday injury rate for fiscal year 2000 with the lost workday injury rate for fiscal year 1999.

(C) The direct and indirect costs associated with all lost workday injuries.

(2) The Secretary of Defense shall submit a final report on the demonstration program to the Committees on Armed Services of the Senate and the House of Representatives not later than December 1, 2002. The final report shall contain, at a minimum, for each site of the demonstration program the following:

(A) The Secretary's determination on the issue stated in subsection (b)(2).

(B) A comparison of the lost workday injury rate under the program with the baseline assessment of the lost workday injury rate.

(C) The lost workday injury rate for fiscal year 2002.

(D) A comparison of the direct and indirect costs associated with all lost workday injuries for fiscal year 2002 with the direct and indirect costs associated with all lost workday injuries for fiscal year 2001.

(f) FUNDING.—Of the amount authorized to be appropriated under section 301(5), $5,000,000 shall be available for the demonstration program under this section.

SEC. 1106. EMPLOYMENT AND COMPENSATION OF EMPLOYEES FOR TEMPORARY ORGANIZATIONS ESTABLISHED BY LAW OR EXECUTIVE ORDER.

(a) IN GENERAL.—Chapter 31 of title 5, United States Code, is amended by adding at the end the following new subchapter:

''SUBCHAPTER IV—TEMPORARY ORGANIZATIONS ESTABLISHED BY LAW OR EXECUTIVE ORDER

"§ 3161. Employment and compensation of employees

''(a) DEFINITION OF TEMPORARY ORGANIZATION.—For the purposes of this subchapter, the term 'temporary organization' means a commission, committee, board, or other organization that—

''(1) is established by law or Executive order for a specific period not in excess of 3 years for the purpose of performing a specific study or other project; and

''(2) is terminated upon the completion of the study or project or upon the occurrence of a condition related to the completion of the study or project.

''(b) EMPLOYMENT AUTHORITY.—(1) Notwithstanding the provisions of chapter 51 of this title, the head of an Executive agency may appoint persons to positions of employment in a temporary organization in such numbers and with such skills as are necessary for the performance of the functions required of a temporary organization.

''(2) The period of an appointment under paragraph (1) may not exceed three years, except that under regulations prescribed by the

Office of Personnel Management the period of appointment may be extended for up to an additional two years.

''(3) The positions of employment in a temporary organization are in the excepted service of the civil service.

''(c) DETAIL AUTHORITY.—Upon the request of the head of a temporary organization, the head of any department or agency of the Government may detail, on a nonreimbursable basis, any personnel of the department or agency to that organization to assist in carrying out its duties.

''(d) COMPENSATION.—(1) The rate of basic pay for an employee appointed under subsection (b) shall be established under regulations prescribed by the Office of Personnel Management without regard to the provisions of chapter 51 and subchapter III of chapter 53 of this title.

''(2) The rate of basic pay for the chairman, a member, an executive director, a staff director, or another executive level position of a temporary organization may not exceed the maximum rate of basic pay established for the Senior Executive Service under section 5382 of this title.

''(3) Except as provided in paragraph (4), the rate of basic pay for other positions in a temporary organization may not exceed the maximum rate of basic pay for grade GS–15 of the General Schedule under section 5332 of this title.

''(4) The rate of basic pay for a senior staff position of a temporary organization may, in a case determined by the head of the temporary organization as exceptional, exceed the maximum rate of basic pay authorized under paragraph (3), but may not exceed the maximum rate of basic pay authorized for an executive level position under paragraph (2).

''(5) In this subsection, the term 'basic pay' includes locality pay provided for under section 5304 of this title.

''(e) TRAVEL EXPENSES.—An employee of a temporary organization, whether employed on a full-time or part-time basis, may be allowed travel and transportation expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of this title, while traveling away from the employee's regular place of business in the performance of services for the temporary organization.

''(f) BENEFITS.—(1) An employee appointed under subsection (b) shall be afforded the same benefits and entitlements as are provided other employees under subpart G of part III of this title, except that a full-time employee shall be eligible for life insurance under chapter 87 of this title and health benefits under chapter 89 of this title immediately upon appointment to the position of full-time employment without regard to the duration of the temporary organization or of the appointment to that position of the temporary organization.

''(2) Until an employee of a temporary organization has completed one year of continuous service in the civil service, there shall be withheld from the employee's pay the following:

''(A) In the case of an employee insured pursuant to paragraph (1) by an insurance policy purchased by the Office under chapter 87 of this title, the amount equal to the amount of the Government contribution under section 8708 of this title, as well as the amount required to be withheld from the pay of the employee under section 8707 of this title, all of which shall be deposited in the Treasury of the United States to the credit of the Employees' Life Insurance Fund referred to in section 8714 of this title.

''(B) In the case of an employee participating pursuant to paragraph (1) in a Federal Employees Health Benefits plan under chapter 89 of this title, the amount equal to the amount of the Government contribution under section 8906 of this title, as well as the amount required to be withheld from the pay of the employee under section 8906 of this title, all of which shall be paid into the Employees Health Benefits Fund referred to in section 8909 of this title.

''(3) No contribution shall be made by the United States for an employee under section 8708 or 8906 of this title for any period for which subparagraph (A) or (B), respectively, of paragraph (2) applies to the employee.

''(g) RETURN RIGHTS.—An employee serving under a career or career conditional appointment or the equivalent in an agency who transfers to or converts to an appointment in a temporary organization with the consent of the head of the agency is entitled to be returned to the employee's former position or a position of like seniority, status, and pay without grade or pay retention in the agency if the employee—

''(1) is being separated from the temporary organization for reasons other than misconduct, neglect of duty, or malfeasance; and

''(2) applies for return not later than 30 days before the earlier of—

''(A) the date of the termination of the employment in the temporary organization; or

''(B) the date of the termination of the temporary organization.

''(h) TEMPORARY AND INTERMITTENT SERVICES.—The head of a temporary organization may procure for the organization temporary and intermittent services under section 3109(b) of this title.

''(i) ACCEPTANCE OF VOLUNTEER SERVICES.—(1) The head of a temporary organization may accept volunteer services appropriate to the duties of the organization without regard to section 1342 of title 31.

''(2) Donors of voluntary services accepted for a temporary organization under this subsection may include the following:

''(A) Advisors.

''(B) Experts.

''(C) Members of the commission, committee, board, or other temporary organization, as the case may be.

''(D) A person performing services in any other capacity determined appropriate by the head of the temporary organization.

''(3) The head of the temporary organization—

''(A) shall ensure that each person performing voluntary services accepted under this subsection is notified of the scope of the voluntary services accepted;

''(B) shall supervise the volunteer to the same extent as employees receiving compensation for similar services; and

''(C) shall ensure that the volunteer has appropriate credentials or is otherwise qualified to perform in each capacity for which the volunteer's services are accepted.

''(4) A person providing volunteer services accepted under this subsection shall be considered an employee of the Federal Government in the performance of those services for the purposes of the following provisions of law:

''(A) Chapter 81 of this title, relating to compensation for work-related injuries.

''(B) Chapter 171 of title 28, relating to tort claims.

''(C) Chapter 11 of title 18, relating to conflicts of interest.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following:

''SUBCHAPTER IV—TEMPORARY ORGANIZATIONS ESTABLISHED BY LAW OR EXECUTIVE ORDER

''Sec.

''3161. Employment and compensation of employees.''.

SEC. 1107. EXTENSION OF AUTHORITY FOR VOLUNTARY SEPARATIONS IN REDUCTIONS IN FORCE.

Section 3502(f)(5) of title 5, United States Code, is amended by striking ''September 30, 2001'' and inserting ''September 30, 2005''.

SEC. 1108. ELECTRONIC MAINTENANCE OF PERFORMANCE APPRAISAL SYSTEMS.

Section 4302 of title 5, United States Code, is amended by adding at the end the following:

''(c) The head of an agency may administer and maintain its performance appraisal systems electronically in accordance with regulations which the Office shall prescribe.''.

SEC. 1109. APPROVAL AUTHORITY FOR CASH AWARDS IN EXCESS OF $10,000.

Section 4502 of title 5, United States Code, is amended by adding at the end the following:

''(f) The Secretary of Defense may grant a cash award under subsection (b) of this section without regard to the requirements for certification and approval provided in that subsection.''.

SEC. 1110. LEAVE FOR CREWS OF CERTAIN VESSELS.

Section 6305(c)(2) of title 5, United States Code, is amended to read as follows:

''(2) may not be made the basis for a lump-sum payment, except that civil service mariners of the Military Sealift Command on temporary promotion aboard ship may be paid the difference between their temporary and permanent rates of pay for leave accrued and not otherwise used during the temporary promotion upon the expiration or termination of the temporary promotion; and''.

SEC. 1111. LIFE INSURANCE FOR EMERGENCY ESSENTIAL DEPARTMENT OF DEFENSE EMPLOYEES.

Section 8702 of title 5, United States Code, is amended by adding at the end the following new subsection:

''(c) Notwithstanding a notice previously given under subsection (b), an employee of the Department of Defense who is designated as an emergency essential employee under section 1580 of title 10 shall be insured if the employee, within 60 days after the date of the designation, elects to be insured under a policy of insurance under this chapter. An election under the preceding sentence shall be effective when provided to the Office in writing, in the form prescribed by the Office, within such 60-day period.''.

SEC. 1112. CIVILIAN PERSONNEL SERVICES PUBLIC-PRIVATE COMPETITION PILOT PROGRAM.

(a) PROGRAM REQUIRED.—The Secretary of Defense shall establish a pilot program to assess the extent to which the effectiveness and efficiency of the performance of civilian personnel services for the Department of Defense could be increased by conducting competitions for the performance of such services between the public and private sectors. The pilot program under this section shall be known as the ''Civilian Personnel Services Public-Private Competition Program''.

(b) CIVILIAN PERSONNEL REGIONS TO BE INCLUDED.—(1) The pilot program shall be carried out in four civilian personnel regions, as follows:

(A) In one region, for the civilian personnel services for the Department of the Army.

(B) In two regions, for the civilian personnel services for the Department of the Navy.

(C) In one region, for the civilian personnel services for any military department or for any organization within the Department of Defense that is not within a military department.

(2) The Secretary shall designate the regions to participate in the pilot program. The Secretary shall select the regions for designation from among the regions where the conduct of civilian personnel operations are most conducive to public-private competition. In making the selections, the Secretary shall consult with the Secretary of the Army, the Secretary of the Navy, and the Director of Washington Headquarters Services.

(c) RIGHT OF FIRST REFUSAL FOR DISPLACE FEDERAL EMPLOYEES.—The Secretary of Defense shall take the actions necessary to ensure that, in the case of a conversion to private sector performance under the pilot program, employees of the United States who are displaced by the conversion have the right of first refusal for jobs for which they are qualified that are created by the conversion.

(d) DURATION AND COVERAGE OF THE PROGRAM.—The pilot program shall be carried out during the period beginning on October 1, 2000, and ending on December 31, 2004.

(e) AUTHORITY TO EXPAND PROGRAM.—The Secretary may expand the pilot program to include other regions.

(f) REPORT.—Not later than February 1, 2005, the Secretary shall submit a report on the pilot program to the Committees on Armed Services of the Senate and the House of Representatives. The report shall include the following:

(1) The Secretary's assessment of the value of the actions taken in the administration of the pilot program for increasing the effectiveness and efficiency of the performance of civilian personnel services for the Department of Defense in the regions covered by the pilot program, as compared to the performance of civilian personnel services for the department in regions not included in the pilot program.

(2) Any recommendations for legislation or other action that the Secretary considers appropriate to increase the effectiveness and efficiency of the performance of civilian personnel services for the Department of Defense in all regions.

SEC. 1113. EXTENSION, EXPANSION, AND REVISION OF AUTHORITY FOR EXPERIMENTAL PERSONNEL PROGRAM FOR SCIENTIFIC AND TECHNICAL PERSONNEL.

(a) EXTENSION OF PROGRAM.—Section 1101 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2139; 5 U.S.C. 3104 note) is amended—

(1) in subsection (a), by striking ''the 5-year period beginning on the date of the enactment of this Act'' and inserting ''the program period specified in subsection (e)(1)'';

(2) in subsection (e), by striking paragraph (1) and inserting the following:

''(1) The period for carrying out the program authorized under this section begins on October 17, 1998, and ends on October 16, 2005.''; and

(3) in subsection (f), by striking ''on the day before the termination of the program'' and inserting ''on the last day of the program period specified in subsection (e)(1)''.

(b) EXPANSION OF SCOPE.—Subsection (a) of such section, as amended by subsection (a)(1) of this section, is further amended by inserting before the period at the end the following: ''and research and development projects administered by laboratories designated for the program by the Secretary from among the laboratories of each of the military departments''.

(c) LIMITATION ON NUMBER OF APPOINTMENTS.—Subsection (b)(1) of such section is amended to read as follows:

''(1) without regard to any provision of title 5, United States Code, governing the appointment of employees in the civil service, appoint scientists and engineers from outside the civil service and uniformed services (as such terms are defined in section 2101 of such title) to—

''(A) not more than 40 scientific and engineering positions in the Defense Advanced Research Projects Agency;

''(B) not more than 40 scientific and engineering positions in the designated laboratories of each of the military services; and

''(C) not more than a total of 10 scientific and engineering positions in the National Imagery and Mapping Agency and the National Security Agency.''.

(d) RATES OF PAY FOR APPOINTEES.—Subsection (b)(2) of such section is amended by inserting after ''United States Code,'' the following: ''as increased by locality-based comparability payments under section 5304 of such title,''.

(e) COMMENSURATE EXTENSION OF REQUIREMENT FOR ANNUAL REPORT.—Subsection (g) of such section is amended by striking ''2004'' and inserting ''2006''.

(f) AMENDMENT OF SECTION HEADING.—The heading for such section is amended to read as follows:

''SEC. 1101. EXPERIMENTAL PERSONNEL PROGRAM FOR SCIENTIFIC AND TECHNICAL PERSONNEL.''.

SEC. 1114. CLARIFICATION OF PERSONNEL MANAGEMENT AUTHORITY UNDER A PERSONNEL DEMONSTRATION PROJECT.

Section 342(b) of the National Defense Authorization Act for Fiscal Year 1995 is amended—

(1) by striking the last sentence of paragraph (4); and

(2) by adding at the end the following:

''(5) The employees of a laboratory covered by a personnel demonstration project under this section shall be managed by the director of the laboratory subject to the supervision of the Under Secretary of Defense for Acquisition, Technology, and Logistics. Notwithstanding any other provision of law, the director of the laboratory is authorized to appoint individuals to positions in the laboratory, and to fix the compensation of such individuals for service in those positions, under the demonstration project without the review or approval of any official or agency other than the Under Secretary.''.

SEC. 1115. EXTENSION OF AUTHORITY FOR VOLUNTARY SEPARATIONS IN REDUCTIONS IN FORCE.

Section 3502(f)(5) of title 5, United States Code, is amended by striking ''September 30, 2001'' and inserting ''September 30, 2005''.

SEC. 1116. EXTENSION, REVISION, AND EXPANSION OF AUTHORITIES FOR USE OF VOLUNTARY SEPARATION INCENTIVE PAY AND VOLUNTARY EARLY RETIREMENT.

(a) EXTENSION OF AUTHORITY.—Subsection (e) of section 5597 of title 5, United States Code, is amended by striking ''September 30, 2003'' and inserting ''September 30, 2005''.

(b) REVISION AND ADDITION OF PURPOSES FOR DEPARTMENT OF DEFENSE VSIP.—Subsection (b) of such section is amended by inserting after ''transfer of function,'' the following: ''restructuring of the workforce (to meet mission needs, achieve one or more strength reductions, correct skill imbalances, or reduce the number of high-grade, managerial, or supervisory positions in accordance with the strategic plan required under section 1118 of the National Defense Authorization Act for Fiscal Year 2001),''.

(c) ELIGIBILITY.—Subsection (c) of such section is amended—

(1) in paragraph (2), by inserting ''objective and nonpersonal'' after ''similar''; and

(2) by adding at the end the following:

''A determination of which employees are within the scope of an offer of separation pay shall be made only on the basis of consistent and well-documented application of the relevant criteria.''.

(d) INSTALLMENT PAYMENTS.—Subsection (d) of such section is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) shall be paid in a lump-sum or in installments;'';

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

(3) by striking the period at the end of paragraph (4) and inserting ''; and''; and

(4) by adding at the end the following:

''(5) if paid in installments, shall cease to be paid upon the recipient's acceptance of employment by the Federal Government, or commencement of work under a personal services contract, as described in subsection (g)(1).''.

(e) APPLICABILITY OF REPAYMENT REQUIREMENT TO REEMPLOYMENT UNDER PERSONAL SERVICES CONTRACTS.—Subsection (g)(1) of such section is amended by inserting after ''employment with the Government of the United States'' the following: '', or who commences work for an agency of the United States through a personal services contract with the United States,''.

SEC. 1117. DEPARTMENT OF DEFENSE EMPLOYEE VOLUNTARY EARLY RETIREMENT AUTHORITY.

(a) CIVIL SERVICE RETIREMENT SYSTEM.—Section 8336 of title 5, United States Code, is amended—

(1) in subsection (d)(2), by inserting ''except in the case of an employee described in subsection (o)(1),'' after ''(2)''; and

(2) by adding at the end the following:

''(o)(1) An employee of the Department of Defense who, before October 1, 2005, is separated from the service after completing 25 years of service or after becoming 50 years of age and completing 20 years of service is entitled to an immediate annuity under this subchapter if the employee is eligible for the annuity under paragraph (2) or (3).

''(2)(A) An employee referred to in paragraph (1) is eligible for an immediate annuity under this paragraph if the employee—

''(i) is separated from the service involuntarily other than for cause; and

''(ii) has not declined a reasonable offer of another position in the Department of Defense for which the employee is qualified, which is not lower than 2 grades (or pay levels) below the employee's grade (or pay level), and which is within the employee's commuting area.

''(B) For the purposes of paragraph (2)(A)(i), a separation for failure to accept a directed reassignment to a position outside the commuting area of the employee concerned or to accompany a position outside of such area pursuant to a transfer of function may not be considered to be a removal for cause.

''(3) An employee referred to in paragraph (1) is eligible for an immediate annuity under this paragraph if the employee satisfies all of the following conditions:

''(A) The employee is separated from the service voluntarily during a period in which the organization within the Department of Defense in which the employee is serving is undergoing a major organizational adjustment.

''(B) The employee has been employed continuously by the Department of Defense for more than 30 days before the date on which the head of the employee's organization requests the determinations required under subparagraph (A).

''(C) The employee is serving under an appointment that is not limited by time.

''(D) The employee is not in receipt of a decision notice of involuntary separation for misconduct or unacceptable performance.

''(E) The employee is within the scope of an offer of voluntary early retirement, as defined on the basis of one or more of the following objective criteria:

''(i) One or more organizational units.

''(ii) One or more occupational groups, series, or levels.

''(iii) One or more geographical locations.

''(iv) Any other similar objective and nonpersonal criteria that the Office of Personnel Management determines appropriate.

''(4) Under regulations prescribed by the Office of Personnel Management, the determinations of whether an employee meets—

''(A) the requirements of subparagraph (A) of paragraph (3) shall be made by the Office, upon the request of the Secretary of Defense; and

''(B) the requirements of subparagraph (E) of such paragraph shall be made by the Secretary of Defense.

''(5) A determination of which employees are within the scope of an offer of early retirement shall be made only on the basis of consistent and well-documented application of the relevant criteria.

''(6) In this subsection, the term 'major organizational adjustment' means any of the following:

''(A) A major reorganization.

''(B) A major reduction in force.

''(C) A major transfer of function.

''(D) A workforce restructuring—

''(i) to meet mission needs;

''(ii) to achieve one or more reductions in strength;

''(iii) to correct skill imbalances; or

''(iv) to reduce the number of high-grade, managerial, supervisory, or similar positions.''.

(b) FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—Section 8414 of such title is amended—

(1) in subsection (b)(1)(B), by inserting ''except in the case of an employee described in subsection (d)(1),'' after ''(B)''; and

(2) by adding at the end the following:

''(d)(1) An employee of the Department of Defense who, before October 1, 2005, is separated from the service after completing 25 years of service or after becoming 50 years of age and completing 20 years of service is entitled to an immediate annuity under this subchapter if the employee is eligible for the annuity under paragraph (2) or (3).

''(2)(A) An employee referred to in paragraph (1) is eligible for an immediate annuity under this paragraph if the employee—

''(i) is separated from the service involuntarily other than for cause; and

''(ii) has not declined a reasonable offer of another position in the Department of Defense for which the employee is qualified, which is not lower than 2 grades (or pay levels) below the employee's grade (or pay level), and which is within the employee's commuting area.

''(B) For the purposes of paragraph (2)(A)(i), a separation for failure to accept a directed reassignment to a position outside the commuting area of the employee concerned or to accompany a position outside of such area pursuant to a transfer of function may not be considered to be a removal for cause.

''(3) An employee referred to in paragraph (1) is eligible for an immediate annuity under this paragraph if the employee satisfies all of the following conditions:

''(A) The employee is separated from the service voluntarily during a period in which the organization within the Department of Defense in which the employee is serving is undergoing a major organizational adjustment.

''(B) The employee has been employed continuously by the Department of Defense for more than 30 days before the date on which the head of the employee's organization requests the determinations required under subparagraph (A).

''(C) The employee is serving under an appointment that is not limited by time.

''(D) The employee is not in receipt of a decision notice of involuntary separation for misconduct or unacceptable performance.

''(E) The employee is within the scope of an offer of voluntary early retirement, as defined on the basis of one or more of the following objective criteria:

''(i) One or more organizational units.

''(ii) One or more occupational groups, series, or levels.

''(iii) One or more geographical locations.

''(iv) Any other similar objective and nonpersonal criteria that the Office of Personnel Management determines appropriate.

''(4) Under regulations prescribed by the Office of Personnel Management, the determinations of whether an employee meets—

''(A) the requirements of subparagraph (A) of paragraph (3) shall be made by the Office upon the request of the Secretary of Defense; and

''(B) the requirements of subparagraph (E) of such paragraph shall be made by the Secretary of Defense.

''(5) A determination of which employees are within the scope of an offer of early retirement shall be made only on the basis of consistent and well-documented application of the relevant criteria.

''(6) In this subsection, the term 'major organizational adjustment' means any of the following:

''(A) A major reorganization.

''(B) A major reduction in force.

''(C) A major transfer of function.

''(D) A workforce restructuring—

''(i) to meet mission needs;

''(ii) to achieve one or more reductions in strength;

''(iii) to correct skill imbalances; or

''(iv) to reduce the number of high-grade, managerial, supervisory, or similar positions.''.

(c) CONFORMING AMENDMENTS.—(1) Section 8339(h) of such title is amended by striking out ''or (j)'' in the first sentence and inserting ''(j), or (o)''.

(2) Section 8464(a)(1)(A)(i) of such title is amended by striking out ''or (b)(1)(B)'' and '', (b)(1)(B), or (d)''.

(d) EFFECTIVE DATE; APPLICABILITY.—The amendments made by this section—

(1) shall take effect on October 1, 2000; and

(2) shall apply with respect to an approval for voluntary early retirement made on or after that date.

SEC. 1118. RESTRICTIONS ON PAYMENTS FOR ACADEMIC TRAINING.

(a) SOURCES OF POSTSECONDARY EDUCATION.—Subsection (a) of section 4107 of title 5, United States Code, is amended—

(1) by striking ''or'' at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting ''; or''; and

(3) by adding at the end the following:

''(3) any course of postsecondary education that is administered or conducted by an institution not accredited by a national or regional accrediting body (except in the case of a course or institution for which standards for accrediting do not exist or are determined by the head of the employee's agency as being inappropriate), regardless of whether the course is provided by means of classroom instruction, electronic instruction, or otherwise.''.

(b) WAIVER OF RESTRICTION ON DEGREE TRAINING.—Subsection (b)(1) of such section is amended by striking ''if necessary'' and all that follows through the end and inserting ''if the training provides an opportunity for an employee of the agency to obtain an academic degree pursuant to a planned, systematic, and coordinated program of professional development approved by the head of the agency.''.

(c) CONFORMING AND CLERICAL AMENDMENTS.—The heading for such section is amended to read as follows:

''§ 4107. Restrictions''.

(3) The item relating to such section in the table of sections at the beginning of chapter 41 of title 5, United States Code, is amended to read as follows:

''4107. Restrictions.''.

SEC. 1119. STRATEGIC PLAN.

(a) REQUIREMENT FOR PLAN.—Not later than six months after the date of the enactment of this Act, and before exercising any of the authorities provided or extended by the amendments made by sections 1115 through 1117, the Secretary of Defense shall submit to the appropriate committees of Congress a strategic plan for the exercise of such authorities. The plan shall include an estimate of the number of Department of Defense employees that would be affected by the uses of authorities as described in the plan.

(b) CONSISTENCY WITH DOD PERFORMANCE AND REVIEW STRATEGIC PLAN.—The strategic plan submitted under subsection (a) shall be consistent with the strategic plan of the Department of Defense that is in effect under section 306 of title 5, United States Code.

(c) APPROPRIATE COMMITTEES.—For the purposes of this section, the appropriate committees of Congress are as follows:

(1) The Committee on Armed Services and the Committee on Governmental Affairs of the Senate.

(2) The Committee on Armed Services and the Committee on Government Reform of the House of Representatives.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

SEC. 1201. AUTHORITY TO TRANSFER NAVAL VESSELS TO CERTAIN FOREIGN COUNTRIES.

(a) AUTHORITY TO TRANSFER.—

(1) AUSTRALIA.—The Secretary of the Navy is authorized to transfer to the Government of Australia the ''KIDD'' class guided missile destroyers KIDD (DDG 993), CALLAGHAN (DDG 994), SCOTT (DDG 995), and CHANDLER (DDG 996). Each such transfer shall be on a combined lease-sale basis under sections 61 and 21 of the Arms Export Control Act (22 U.S.C. 2796 and 2761).

(2) BRAZIL.—The Secretary of the Navy is authorized to transfer to the Government of Brazil the ''THOMASTON'' class dock landing ships ALAMO (LSD 33) and HERMITAGE (LSD 34), and the ''GARCIA'' class frigates BRADLEY (FF 1041), DAVIDSON (FF 1045), SAMPLE (FF 1048) and ALBERT DAVID (FF 1050). Each such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(3) CHILE.—The Secretary of the Navy is authorized to transfer to the Government of Chile the ''OLIVER HAZARD PERRY'' class guided missile frigates WADSWORTH (FFG 9), and ESTOCIN (FFG 15). Each such transfer shall be on a combined lease-sale basis under sections 61 and 21 of the Arms Export Control Act (22 U.S.C. 2796 and 2761).

(4) EGYPT.—The Secretary of the Navy is authorized to transfer to the Government of Egypt the ''DIXIE'' class destroyer tender YOSEMITE (AD 19). The transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(5) GREECE.—The Secretary of the Navy is authorized to transfer to the Government of Greece the ''KNOX'' class frigates VREELAND (FF 1068) and TRIPPE (FF 1075). Each such transfer shall be on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j).

(6) TURKEY.—(A) The Secretary of the Navy is authorized to transfer to the Government of Turkey the ''OLIVER HAZARD PERRY'' class guided missile frigates JOHN A. MOORE (FFG 19) and FLATLEY (FFG 21). Each transfer under the authority of this subsection shall be on a combined lease-sale basis under sections 61 and 21 of the Arms Export Control Act (22 U.S.C. 2796 and 2761).

(B) The authority provided under subparagraph (A) is in addition to the authority provided under section 1018(a)(9) of Public Law 106–65 (113 Stat. 745) for the Secretary of the Navy to transfer such vessels to the Government of Turkey on a sale basis under section 21 of the Arms Export Control Act (22 U.S.C. 2761).

(b) GRANTS NOT COUNTED IN ANNUAL TOTAL OF TRANSFERRED EXCESS DEFENSE ARTICLES.—The value of a vessel transferred to another country on a grant basis under section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) pursuant to authority provided by subsection (a) shall not be counted for the purposes of subsection (g) of that section in the aggregate value of excess defense articles transferred to countries under that section in any fiscal year.

(c) COSTS OF TRANSFERS.—Any expense incurred by the United States in connection with a transfer authorized by this section shall be charged to the recipient (notwithstanding section 516(e)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j(e)(1)) in the case of a transfer authorized to be made on a grant basis under subsection (a)).

(d) REPAIR AND REFURBISHMENT IN UNITED STATES SHIPYARDS.—To the maximum extent practicable, the Secretary of the Navy shall require, as a condition of the transfer of a vessel under this section, that the country to which the vessel is transferred have such repair or refurbishment of the vessel as is needed, before the vessel joins the naval forces of that country, performed at a shipyard located in the United States, including a United States Navy shipyard.

(e) CONDITIONS RELATING TO COMBINED LEASE-SALE TRANSFERS.—A transfer of a vessel on a combined lease-sale basis authorized by

subsection (a) shall be made in accordance with the following requirements:

(1) The Secretary of the Navy may initially transfer the vessel by lease, with lease payments suspended for the term of the lease, if the country entering into the lease for the vessel simultaneously enters into a foreign military sales agreement for the transfer of title to the vessel.

(2) The Secretary may not deliver to the purchasing country title to the vessel until the purchase price of the vessel under such a foreign military sales agreement is paid in full.

(3) Upon payment of the purchase price in full under such a sales agreement and delivery of title to the recipient country, the Secretary shall terminate the lease.

(4) If the purchasing country fails to make full payment of the purchase price in accordance with the sales agreement by the date required under the sales agreement—

(A) the sales agreement shall be immediately terminated;

(B) the suspension of lease payments under the lease shall be vacated; and

(C) the United States shall be entitled to retain all funds received on or before the date of the termination under the sales agreement, up to the amount of the lease payments due and payable under the lease and all other costs required by the lease to be paid to that date.

(5) If a sales agreement is terminated pursuant to paragraph (4), the United States shall not be required to pay any interest to the recipient country on any amount paid to the United States by the recipient country under the sales agreement and not retained by the United States under the lease.

(f) AUTHORIZATION OF APPROPRIATIONS FOR COSTS OF LEASE-SALE TRANSFERS.—There is hereby authorized to be appropriated into the Defense Vessels Transfer Program Account such sums as may be necessary for paying the costs (as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a)) of the lease-sale transfers authorized by subsection (a). Amounts so appropriated shall be available only for the purpose of paying those costs.

(g) EXPIRATION OF AUTHORITY.—The authority provided under subsection (a) shall expire at the end of the two-year period beginning on the date of the enactment of this Act.

SEC. 1202. SUPPORT OF UNITED NATIONS-SPONSORED EFFORTS TO INSPECT AND MONITOR IRAQI WEAPONS ACTIVITIES.

(a) LIMITATION ON AMOUNT OF ASSISTANCE IN FISCAL YEAR 2001.—The total amount of the assistance for fiscal year 2001 that is provided by the Secretary of Defense under section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) as activities of the Department of Defense in support of activities under that Act may not exceed $15,000,000.

(b) EXTENSION OF AUTHORITY TO PROVIDE ASSISTANCE.—Subsection (f) of section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) is amended by striking ''2000'' and inserting ''2001''.

SEC. 1203. REPEAL OF RESTRICTION PREVENTING COOPERATIVE AIRLIFT SUPPORT THROUGH ACQUISITION AND CROSS-SERVICING AGREEMENTS.

Section 2350c of title 10, United States Code, is amended—

(1) by striking subsection (d); and

(2) by redesignating subsection (e) as subsection (d).

SEC. 1204. WESTERN HEMISPHERE INSTITUTE FOR PROFESSIONAL EDUCATION AND TRAINING.

(a) IN GENERAL.—Chapter 108 of title 10, United States Code, is amended by adding at the end the following:

''§ 2166. Western Hemisphere Institute for Professional Education and Training

''(a) ESTABLISHMENT AND ADMINISTRATION.—(1) The Secretary of Defense may operate an education and training facility for the purpose set forth in subsection (b). The facility may be called the Western Hemisphere Institute for Professional Education and Training.

''(2) The Secretary may designate the Secretary of a military department as the Department of Defense executive agent for carrying out the responsibilities of the Secretary of Defense under this section.

''(b) PURPOSE.—The purpose of the Institute is to provide professional education and training to eligible personnel of the Western Hemisphere within the context of the democratic principles set forth in the Charter of the Organization of American States and supporting agreements, while fostering mutual knowledge, transparency, confidence, and cooperation among the participating nations and promoting democratic values, respect for human rights, and knowledge and understanding of United States customs and traditions.

''(c) ELIGIBLE PERSONNEL.—(1) Subject to paragraph (2), personnel of the Western Hemisphere are eligible for education and training at the Institute as follows:

''(A) Military personnel.

''(B) Law enforcement personnel.

''(C) Civilians, whether or not employed by a government of the Western Hemisphere.

''(2) The selection of foreign personnel for education or training at the Institute is subject to the approval of the Secretary of State.

''(d) CURRICULUM.—(1) The curriculum of the Institute shall include mandatory instruction for each student, for at least 8 hours, on human rights, the rule of law, due process, civilian control of the military, and the role of the military in a democratic society.

''(2) The curriculum may include instruction and other educational and training activities on the following:

''(A) Leadership development.

''(B) Counterdrug operations.

''(C) Peace support operations.

''(D) Disaster relief.

''(E) Any other matters that the Secretary determines appropriate.

''(e) BOARD OF VISITORS.—(1) There shall be a Board of Visitors for the Institute. The Board shall be composed of the following:

''(A) Two members of the Senate designated by the President pro tempore of the Senate.

''(B) Two members of the House of Representatives designated by the Speaker of the House of Representatives.

''(C) Six persons designated by the Secretary of Defense including, to the extent practicable, at least one member from academia, one member from the religious community, and one member from the human rights community.

''(D) One person designated by the Secretary of State.

''(E) For each of the armed forces, the senior military officer responsible for training and doctrine or a designee of that officer.

''(F) The Commander in Chief of the United States Southern Command or a designee of that officer.

''(2) The members of the Board shall serve for 2 years except for the members referred to in subparagraphs (A) and (B) of paragraph (1) who may serve until a successor is designated.

''(3) A vacancy in a position of membership on the Board shall be filled in the same manner as the position was originally filled.

''(4) The Board shall meet at least once each year.

''(5)(A) The Board shall inquire into the curriculum, instruction, physical equipment, fiscal affairs, academic methods, and other matters relating to the Institute that the Board decides to consider.

''(B) The Board shall review the curriculum of the Institute to determine whether—

''(i) the curriculum complies with applicable United States laws and regulations;

''(ii) the curriculum is consistent with United States policy goals toward Latin America and the Caribbean;

''(iii) the curriculum adheres to current United States doctrine; and

''(iv) the instruction under the curriculum appropriately emphasizes the matters described in subsection (d)(1).

''(6) Not later than 60 days after its annual meeting, the Board shall submit to the Secretary of Defense a written report of its action and of its views and recommendations pertaining to the Institute.

''(7) Members of the Board may not be compensated for service on the Board. In the case of officers or employees of the United States serving on the Board as part of their official duties, compensation paid to the members as officers or employees of the United States shall not be considered compensation for service on the Board.

''(8) With the approval of the Secretary of Defense, the Board may accept and use the services of voluntary and noncompensated advisers appropriate to the duties of the Board without regard to section 1342 of title 31.

''(9) Members of the Board and advisers whose services are accepted under paragraph (8) shall be allowed travel and transportation expenses, including per diem in lieu of subsistence, while away from their homes or regular places of business in the performance of services for the Board. Allowances under this paragraph shall be computed—

''(A) in the case of members of the Board who are officers or employees of the United States, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5; and

''(B) in the case of other members of the Board and advisers, as authorized under section 5703 of title 5 for employees serving without pay.

''(10) The Federal Advisory Committee Act (5 U.S.C. App. 2), other than section 14 (relating to termination after two years), shall apply to the Board.

''(f) FIXED COSTS.—The fixed costs of operating and maintaining the Institute—

''(1) may be paid from funds available to the Army for operation and maintenance; and

''(2) may not be paid out of the proceeds of tuition fees charged for professional education and training at the Institute.

''(g) ANNUAL REPORT.—Not later than March 15 of each year, the Secretary of Defense shall submit to Congress a detailed report on the activities of the Institute during the preceding year. The Secretary shall coordinate the preparation of the report with the heads of department and agencies of the United States that have official interests in the activities of the Institute, as determined by the Secretary.''.

(b) REPEAL OF AUTHORITY FOR UNITED STATES ARMY SCHOOL OF THE AMERICAS.—Section 4415 of title 10, United States Code, is repealed.

(c) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 108 of title 10, United States Code, is amended by inserting after the item relating to section 2165 the following:

''2166. Western Hemisphere Institute for Professional Education and Training.''.

(2) The table of sections at the beginning of chapter 407 of such title is amended by striking the item relating to section 4415.

SEC. 1205. BIANNUAL REPORT ON KOSOVO PEACEKEEPING.

(a) REQUIREMENT FOR PERIODIC REPORT.—Beginning on December 1, 2000, and every six months thereafter, the President shall submit to the congressional defense committees, the Committee on Foreign Relations of the Senate, and the Committee on International Relations of the House of Representatives a report on the contributions of European nations and organizations to the peacekeeping operations in Kosovo.

(b) CONTENT OF REPORT.—Each report shall contain detailed information on the following:

(1) The commitments and pledges made by the European Commission, the member nations of the European Union, and the European member nations of the North Atlantic Treaty Organization for reconstruction assistance in Kosovo, humanitarian assistance in Kosovo, the Kosovo

Consolidated Budget, police (including special police) for the United Nations international police force for Kosovo, and military personnel for peacekeeping operations in Kosovo.

(2) The amount of the assistance that has been provided in each category, and the number of police and military personnel that have been deployed to Kosovo, by each such organization or nation.

(3) The full range of commitments and responsibilities that have been undertaken for Kosovo by the United Nations, the European Union, and the Organization for Security and Cooperation in Europe (OSCE), the progress made by those organizations in fulfilling those commitments and responsibilities, an assessment of the tasks that remain to be accomplished, and an anticipated schedule for completing those tasks.

SEC. 1206. MUTUAL ASSISTANCE FOR MONITORING TEST EXPLOSIONS OF NUCLEAR DEVICES.

(a) AUTHORITY.—Subchapter II of chapter 138 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2350l. Mutual assistance for monitoring test explosions of nuclear devices

''(a) ACCEPTANCE OF CONTRIBUTIONS.—(1) The Secretary of Defense may accept funds, services, or property from a foreign government, an international organization, or any other entity for a purpose described in paragraph (2).

''(2) Contributions accepted under paragraph (1) may be used only for the development, procurement, installation, operation, repair, or maintenance of equipment for monitoring test explosions of nuclear devices, or for communications relating to the operation of such equipment. The equipment may be installed and used on United States territory, foreign territory (including Antarctica), or in international waters.

''(3) Any funds accepted under paragraph (1) shall be deposited in an account established by the Secretary for use for the purposes described in paragraph (2), and shall be available, without fiscal year limitation, for use by Department of Defense officials authorized by the Secretary of Defense for contracts, grants, or other forms of acquisition for such purposes.

''(b) AUTHORITY TO PROVIDE MONITORING ASSISTANCE.—(1) To satisfy obligations of the United States to monitor test explosions of nuclear devices, the Secretary of Defense may provide a foreign government with assistance for the monitoring of such tests, but only in accordance with an agreement satisfying the requirements of paragraph (3).

''(2) The assistance authorized under paragraph (1) is as follows:

''(A) A loan or conveyance of—

''(i) equipment for monitoring test explosions of nuclear devices; and

''(ii) associated equipment.

''(B) The installation of such equipment on foreign territory or in international waters.

''(3) Assistance for a foreign government under this subsection shall be subject to an agreement entered into between the United States and the foreign government that ensures the following:

''(A) That the Secretary has timely access to data that is produced, collected, or generated by equipment loaned or conveyed to the foreign government under the agreement.

''(B) That the Secretary—

''(i) has access to that equipment for purposes of inspecting, testing, maintaining, repairing, or replacing the equipment; and

''(ii) may take such actions as are necessary to meet United States obligations to inspect, test, maintain, repair, or replace the equipment.

''(c) DELEGATION.—The Secretary may delegate authority to carry out subsection (a) or (b) only to the Under Secretary of Defense for Acquisition, Technology, and Logistics or the Secretary of the Air Force. Authority so delegated may be further delegated.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter II of such chapter is amended by inserting after the item relating to section 2350k the following new item:

''2350l. Mutual assistance for monitoring test explosions of nuclear devices.''.

SEC. 1207. ANNUAL REPORT ON ACTIVITIES AND ASSISTANCE UNDER COOPERATIVE THREAT REDUCTION PROGRAMS.

(a) ANNUAL REPORT CONSOLIDATING DISPARATE REPORT REQUIREMENTS.—(1) Chapter 23 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 488. Annual report on activities and assistance under Cooperative Threat Reduction programs

''(a) ANNUAL REPORT.—In any year in which the budget of the President under section 1105 of title 31 for the fiscal year beginning in such year requests funds for the Department of Defense for assistance or activities under Cooperative Threat Reduction programs with the states of the former Soviet Union, the Secretary of Defense shall submit to Congress a report on activities and assistance during the preceding fiscal year under Cooperative Threat Reduction programs setting forth the matters in subsection (c).

''(b) DEADLINE FOR REPORT.—The report under subsection (a) shall be submitted not later than the first Monday in February of a year.

''(c) MATTERS TO BE INCLUDED.—The report under subsection (a) in a year shall set forth the following:

''(1) An estimate of the total amount that will be required to be expended by the United States in order to achieve the objectives of the Cooperative Threat Reduction programs.

''(2) A five-year plan setting forth the amount of funds and other resources proposed to be provided by the United States for Cooperative Threat Reduction programs over the term of the plan, including the purpose for which such funds and resources will be used, and to provide guidance for the preparation of annual budget submissions with respect to Cooperative Threat Reduction programs.

''(3) A description of the Cooperative Threat Reduction activities carried out during the fiscal year ending in the year preceding the year of the report, including—

''(A) the amounts notified, obligated, and expended for such activities and the purposes for which such amounts were notified, obligated, and expended for such fiscal year and cumulatively for Cooperative Threat Reduction programs;

''(B) a description of the participation, if any, of each department and agency of the United States Government in such activities;

''(C) a description of such activities, including the forms of assistance provided;

''(D) a description of the United States private sector participation in the portion of such activities that were supported by the obligation and expenditure of funds for Cooperative Threat Reduction programs; and

''(E) such other information as the Secretary of Defense considers appropriate to inform Congress fully of the operation of Cooperative Threat Reduction programs and activities, including with respect to proposed demilitarization or conversion projects, information on the progress toward demilitarization of facilities and the conversion of the demilitarized facilities to civilian activities.

''(4) A description of the audits, examinations, and other efforts, such as on-site inspections, conducted by the United States during the fiscal year ending in the year preceding the year of the report to ensure that assistance provided under Cooperative Threat Reduction programs is fully accounted for and that such assistance is being used for its intended purpose, including a description of—

''(A) if such assistance consisted of equipment, a description of the current location of such equipment and the current condition of such equipment;

''(B) if such assistance consisted of contracts or other services, a description of the status of such contracts or services and the methods used to ensure that such contracts and services are being used for their intended purpose;

''(C) a determination whether the assistance described in subparagraphs (A) and (B) has been used for its intended purpose; and

''(D) a description of the audits, examinations, and other efforts planned to be carried out during the fiscal year beginning in the year of the report to ensure that Cooperative Threat Reduction assistance provided during such fiscal year is fully accounted for and is used for its intended purpose.

''(5) A current description of the tactical nuclear weapons arsenal of Russia, including—

''(A) an estimate of the current types, numbers, yields, viability, locations, and deployment status of the nuclear warheads in that arsenal;

''(B) an assessment of the strategic relevance of such warheads;

''(C) an assessment of the current and projected threat of theft, sale, or unauthorized use of such warheads; and

''(D) a summary of past, current, and planned United States efforts to work cooperatively with Russia to account for, secure, and reduce Russia's stockpile of tactical nuclear warheads and associated fissile materials.

''(d) INPUT OF DCI.—The Director of Central Intelligence shall submit to the Secretary of Defense the views of the Director on any matters covered by subsection (b)(5) in a report under this section. Such views shall be included in such report as a classified annex to such report.

''(e) COMPTROLLER GENERAL ASSESSMENT.—Not later than 60 days after the date on which a report is submitted to Congress under subsection (a), the Comptroller General shall submit to Congress a report setting forth the Comptroller General's assessment of the report under subsection (a), including any recommendations regarding the report under subsection (a) that the Comptroller General considers appropriate.''.

(2) The table of sections at the beginning of chapter 23 of such title is amended by adding at the end the following new item:

''488. Annual report on activities and assistance under Cooperative Threat Reduction programs.''.

(b) FIRST REPORT.—The first report submitted under section 488 of title 10, United States Code, as added by subsection (a), shall be submitted in 2002.

(c) REPEAL OF SUPERSEDED REPORTING REQUIREMENTS.—(1) The following provisions of law are repealed:

(A) Section 1207 of the Cooperative Threat Reduction Act of 1994 (title XII of Public Law 103–160; 107 Stat. 1782; 22 U.S.C. 5956), relating to semiannual reports on Cooperative Threat Reduction.

(B) Section 1203 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2882), relating to a report accounting for United States for Cooperative Threat Reduction.

(C) Section 1205 of the National Defense Authorization Act for Fiscal Year 1995 (108 Stat. 2883; 10 U.S.C. 5952 note), relating to multiyear planning and Allied support for Cooperative Threat Reduction.

(D) Section 1206 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 22 U.S.C. 5955 note), relating to accounting for United States assistance for Cooperative Threat Reduction.

(E) Section 1307 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 795), relating to a limitation on use of funds for Cooperative Threat Reduction pending submittal of a multiyear plan.

(2) Section 1312 of the National Defense Authorization Act for Fiscal Year 2000 (113 Stat. 796; 22 U.S.C. 5955 note), relating to Russian nonstrategic nuclear arms, is amended—

(A) by striking ''(a) SENSE OF CONGRESS.—''; and

(B) by striking subsections (b) and (c).

SEC. 1208. LIMITATION ON USE OF FUNDS FOR CONSTRUCTION OF A RUSSIAN FACILITY FOR THE DESTRUCTION OF CHEMICAL WEAPONS.

Section 1305 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 794; 22 U.S.C. 5952 note) is amended to read as follows:

''SEC. 1305. LIMITATION ON USE OF FUNDS FOR CHEMICAL WEAPONS DESTRUCTION.

''(a) LIMITATION.—No fiscal year 2000 Cooperative Threat Reduction funds, and no funds appropriated for Cooperative Threat Reduction programs after the date of the enactment of this Act, may be obligated or expended for any fiscal year for the purpose of the construction of the Shchuch'ye chemical weapons destruction facility in Russia before the date that is 30 days after the Secretary of Defense certifies in writing to the Committees on Armed Services of the Senate and the House of Representatives for that fiscal year that each of the following conditions has been met:

''(1) That the government of the Russian Federation has agreed to provide at least $25,000,000 annually for the construction support and operation of the facility to destroy chemical weapons and for the support and maintenance of the facility for that purpose for each year of the entire operating life-cycle of the facility.

''(2) That the government of the Russian Federation has agreed to utilize the facility to destroy the remaining four stockpiles of nerve agents, which are located at Kisner, Pochep, Leonidovka, and Maradykovsky.

''(3) That the United States has obtained multiyear commitments from governments of other countries to donate funds for the support of essential social infrastructure projects for Shchuch'ye in sufficient amounts to ensure that the projects are adequately maintained during the entire operating life-cycle of the facility.

''(4) That Russia has agreed to destroy its chemical weapons production facilities at Volgograd and Novocheboksark.

''(b) TIMING OF CERTIFICATIONS.—The certification under subsection (a) for any fiscal year shall be submitted prior to the obligation of funds in such fiscal year for the purpose specified in that subsection.''.

SEC. 1209. LIMITATION ON USE OF FUNDS FOR ELIMINATION OF WEAPONS GRADE PLUTONIUM PROGRAM.

Of the amounts authorized to be appropriated by this Act for fiscal year 2001 for the Elimination of Weapons Grade Plutonium Program, not more than 50 percent of such amounts may be obligated or expended for the program in fiscal year 2001 until 30 days after the date on which the Secretary of Defense submits to the Committees on Armed Services of the Senate and House of Representatives a report on an agreement between the United States Government and the Government of the Russian Federation regarding a new option selected for the shut down or conversion of the reactors of the Russian Federation that produce weapons grade plutonium, including—

(1) the new date on which such reactors will cease production of weapons grade plutonium under such agreement by reason of the shut down or conversion of such reactors; and

(2) any cost-sharing arrangements between the United States Government and the Government of the Russian Federation in undertaking activities under such agreement.

SEC. 1210. SENSE OF CONGRESS REGARDING THE USE OF CHILDREN AS SOLDIERS.

(a) FINDINGS.—Congress finds that—

(1) in the year 2000 approximately 300,000 individuals under the age of 18 are participating in armed conflict in more than 30 countries worldwide;

(2) many of these children are forcibly conscripted through kidnapping or coercion, while others join military units due to economic necessity, to avenge the loss of a family member, or for their own personal safety;

(3) many military commanders frequently force child soldiers to commit gruesome acts of ritual killings or torture against their enemies, including against other children;

(4) many military commanders separate children from their families in order to foster dependence on military units and leaders, leaving children vulnerable to manipulation, deep traumatization, and in need of psychological counseling and rehabilitation;

(5) child soldiers are exposed to hazardous conditions and risk physical injuries, sexually transmitted diseases, malnutrition, deformed backs and shoulders from carrying overweight loads, and respiratory and skin infections;

(6) many young female soldiers face the additional psychological and physical horrors of rape and sexual abuse, being enslaved for sexual purposes by militia commanders, and forced to endure severe social stigma should they return home;

(7) children in northern Uganda continue to be kidnapped by the Lords Resistance Army (LRA), which is supported and funded by the Government of Sudan and which has committed and continues to commit gross human rights violations in Uganda;

(8) children in Sri Lanka have been forcibly recruited by the opposition Tamil Tigers movement and forced to kill or be killed in the armed conflict in that country;

(9) an estimated 7,000 child soldiers have been involved in the conflict in Sierra Leone, some as young as age 10, with many being forced to commit extrajudicial executions, torture, rape, and amputations for the rebel Revolutionary United Front;

(10) on January 21, 2000, in Geneva, a United Nations Working Group, including representatives from more than 80 governments including the United States, reached consensus on an optional protocol on the use of child soldiers;

(11) this optional protocol will raise the international minimum age for conscription and direct participation in armed conflict to age eighteen, prohibit the recruitment and use in armed conflict of persons under the age of eighteen by non-governmental armed forces, encourage governments to raise the minimum legal age for voluntary recruits above the current standard of 15 and, commits governments to support the demobilization and rehabilitation of child soldiers, and when possible, to allocate resources to this purpose;

(12) on October 29, 1998, United Nations Secretary General Kofi Annan set minimum age requirements for United Nations peacekeeping personnel that are made available by member nations of the United Nations;

(13) United Nations Under-Secretary General for Peace-keeping, Bernard Miyet, announced in the Fourth Committee of the General Assembly that contributing governments of member nations were asked not to send civilian police and military observers under the age of 25, and that troops in national contingents should preferably be at least 21 years of age but in no case should they be younger than 18 years of age;

(14) on August 25, 1999, the United Nations Security Council unanimously passed Resolution 1261 (1999) condemning the use of children in armed conflicts;

(15) in addressing the Security Council, the Special Representative of the Secretary General for Children and Armed Conflict, Olara Otunnu, urged the adoption of a global three-pronged approach to combat the use of children in armed conflict, first to raise the age limit for recruitment and participation in armed conflict from the present age of 15 to the age of 18, second, to increase international pressure on armed groups which currently abuse children, and third to address the political, social, and economic factors which create an environment where children are induced by appeal of ideology or by socio-economic collapse to become child soldiers;

(16) the United States delegation to the United Nations working group relating to child soldiers, which included representatives from the Department of Defense, supported the Geneva agreement on the optional protocol;

(17) on May 25, 2000, the United Nations General Assembly unanimously adopted the optional protocol on the use of child soldiers;

(18) the optional protocol was opened for signature on June 5, 2000; and

(19) President Clinton has publicly announced his support of the optional protocol and a speedy process of review and signature.

(b) SENSE OF CONGRESS.—(1) Congress joins the international community in—

(A) condemning the use of children as soldiers by governmental and nongovernmental armed forces worldwide; and

(B) welcoming the optional protocol as a critical first step in ending the use of children as soldiers.

(2) It is the sense of Congress that—

(A) it is essential that the President consult closely with the Senate with the objective of building support for this protocol, and the Senate move forward as expeditiously as possible.

(B) the President and Congress should work together to enact a law that establishes a fund for the rehabilitation and reintegration into society of child soldiers; and

(C) the Departments of State and Defense should undertake all possible efforts to persuade and encourage other governments to ratify and endorse the new optional protocol on the use of child soldiers.

SEC. 1211. SUPPORT OF CONSULTATIONS ON ARAB AND ISRAELI ARMS CONTROL AND REGIONAL SECURITY ISSUES.

Of the amount authorized to be appropriated by section 301(5), up to $1,000,000 is available for the support of programs to promote informal region-wide consultations among Arab, Israeli, and United States officials and experts on arms control and security issues concerning the Middle East region.

SEC. 1212. AUTHORITY TO CONSENT TO RETRANSFER OF ALTERNATIVE FORMER NAVAL VESSEL BY GOVERNMENT OF GREECE.

Section 1012 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 740) is amended—

(1) in subsection (a), by inserting after ''HS Rodos (ex-USS BOWMAN COUNTY (LST 391))'' the following: '', LST 325, or any other former United States LST that is excess to the needs of that government''; and

(2) in subsection (b)(1), by inserting ''retransferred under subsection (a)'' after ''the vessel''.

SEC. 1213. UNITED STATES-RUSSIAN FEDERATION JOINT DATA EXCHANGE CENTER ON EARLY WARNING SYSTEMS AND NOTIFICATION OF MISSILE LAUNCHES.

(a) AUTHORITY.—The Secretary of Defense is authorized to establish, in conjunction with the Government of the Russian Federation, a United States-Russian Federation joint center for the exchange of data from early warning systems and for notification of missile launches.

(b) SPECIFIC ACTIONS.—The actions that the Secretary jointly undertakes for the establishment of the center may include the renovation of a mutually agreed upon facility to be made available by the Russian Federation and the provision of such equipment and supplies as may be necessary to commence the operation of the center.

SEC. 1214. ADJUSTMENT OF COMPOSITE THEORETICAL PERFORMANCE LEVELS OF HIGH PERFORMANCE COMPUTERS.

(a) LAYOVER PERIOD FOR NEW PERFORMANCE LEVELS.—Section 1211 of the National Defense Authorization Act for Fiscal Year 1998 (50 U.S.C. App. 2404 note) is amended—

(1) in the second sentence of subsection (d), by striking ''180'' and inserting ''60''; and

(2) by adding at the end the following:

''(g) CALCULATION OF 60-DAY PERIOD.—The 60-day period referred to in subsection (d) shall be calculated by excluding the days on which either House of Congress is not in session because of an adjournment of the Congress sine die.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to any new composite theoretical performance level established for purposes of section 1211(a) of the National Defense Authorization Act for Fiscal Year 1998 that is submitted by the President pursuant to section 1211(d) of that Act on or after the date of the enactment of this Act.

TITLE XIII—NAVY ACTIVITIES ON THE ISLAND OF VIEQUES, PUERTO RICO

SEC. 1301. ASSISTANCE FOR ECONOMIC GROWTH ON VIEQUES.

(a) AUTHORITY.—The President may provide economic assistance under this section for the people and communities of the island of Vieques.

(b) MAXIMUM AMOUNT.—The total amount of economic assistance provided under this section may, subject to section 1303(b), be any amount up to $40,000,000.

SEC. 1302. REQUIREMENT FOR REFERENDUM ON CONTINUATION OF NAVY TRAINING.

(a) REFERENDUM.—

(1) REQUIREMENT.—The President shall, except as provided in paragraph (2), provide for a referendum to be conducted on the island of Vieques to determine by a majority of the votes cast in the referendum by the Vieques electorate whether the people of Vieques approve or disapprove of the continuation of the conduct of live-fire training, and any other types of training, by the Armed Forces at the Navy's training sites on the island on the conditions described in subsection (d).

(2) EXCEPTION.—If the Chief of Naval Operations and the Commandant of the Marine Corps jointly submit to the congressional defense committees, after the date of the enactment of this Act and before the date set forth in subsection (c), their certification that the Vieques Naval Training Range is no longer needed for training by the Navy and the Marine Corps, then the requirement for a referendum under paragraph (1) shall cease to be effective on the date on which the certification is submitted.

(b) PROHIBITION OF OTHER PROPOSITIONS.—In a referendum under this section, no proposition or option may be presented as an alternative to the propositions of approval and of disapproval of the continuation of the conduct of training as described in subsection (a)(1).

(c) TIME FOR REFERENDUM.—A referendum required under this section shall be held on May 1, 2001, or within 270 days before such date or 270 days after such date. The Secretary of the Navy shall publicize the date set for the referendum 90 days before that date.

(d) REQUIRED TRAINING CONDITIONS.—For the purposes of a referendum under this section, the conditions for the continuation of the conduct of training are those that are proposed by the Secretary of the Navy and publicized on the island of Vieques in connection with, and for a reasonable period in advance of, the referendum. The conditions shall include the following:

(1) LIVE-FIRE TRAINING.—A condition that the training may include live-fire training.

(2) MAXIMUM ANNUAL DAYS OF USE.—A condition that the training may be conducted on not more than 90 days each year.

(e) PROCLAMATION OF OUTCOME.—Promptly after a referendum is completed under this section, the President shall determine, and issue a proclamation declaring, the outcome of the referendum. The President's determination shall be final.

(f) VIEQUES ELECTORATE DEFINED.—In this section, the term ''Vieques electorate'', with respect to a referendum under this section, means the residents of the island of Vieques, Puerto Rico, who, as of the date that is 180 days before the date of the referendum, have an electoral domicile on, and are duly registered to vote on, the island of Vieques under the laws of the Commonwealth of Puerto Rico.

SEC. 1303. ACTIONS IF TRAINING IS APPROVED.

(a) CONDITION FOR EFFECTIVENESS.—This section shall take effect on the date on which the President issues a proclamation under subsection (e) of section 1302 declaring that the continuation of the conduct of training (including live-fire training) by the Armed Forces at the Navy's training sites on the island of Vieques on the conditions described in subsection (d) of that section is approved in a referendum conducted under that section.

(b) ADDITIONAL ECONOMIC ASSISTANCE.—The President may provide economic assistance for the people and communities of the island of Vieques in a total amount up to $50,000,000 in addition to the total amount of economic assistance authorized to be provided under section 1301.

SEC. 1304. REQUIREMENTS IF TRAINING IS NOT APPROVED OR MANDATE FOR REFERENDUM IS VITIATED.

(a) CONDITIONS FOR EFFECTIVENESS.—This section shall take effect on the date on which either of the following occurs:

(1) The President issues a proclamation under subsection (e) of section 1302 declaring that the continuation of the conduct of training (including live-fire training) by the Armed Forces at the Navy's training sites on the island of Vieques on the conditions described in subsection (d) of that section is not approved in the referendum conducted under that section.

(2) The requirement for a referendum under section 1302 ceases to be effective under subsection (a)(2) of that section.

(b) ACTIONS REQUIRED OF SECRETARY OF DEFENSE.—The Secretary of Defense—

(1) shall, not later than May 1, 2003—

(A) terminate all Navy and Marine Corps training operations on the island of Vieques; and

(B) terminate all Navy and Marine Corps operations at Roosevelt Roads, Puerto Rico, that are related to the use of the training range on the island of Vieques by the Navy and the Marine Corps.

(2) may relocate the units of the Armed Forces (other than those of the reserve components) and activities of the Department of Defense (including nonappropriated fund activities) at Fort Buchanan, Puerto Rico, to Roosevelt Roads, Puerto Rico, to ensure maximum utilization of capacity;

(3) shall close the Department of Defense installations and facilities on the island of Vieques (other than properties exempt from transfer under section 1305); and

(4) shall, except as provided in section 1305, transfer to the Secretary of the Interior—

(A) the Live Impact Area on the island of Vieques;

(B) all Department of Defense real properties on the eastern side of that island that are identified as conservation zones; and

(C) all other Department of Defense real properties on the eastern side of that island.

(c) ACTIONS REQUIRED OF SECRETARY OF THE INTERIOR.—The Secretary of the Interior shall retain, and may not dispose of any of, the properties transferred under subsection (b)(4) pending the enactment of a law that addresses the disposition of those properties.

(d) GAO REVIEW.—

(1) REQUIREMENT FOR REVIEW.—The Comptroller General shall review the requirement for the continued use of Fort Buchanan by active Army forces and shall submit to the congressional defense committees a report on the review. The report shall contain the following:

(A) FINDINGS.—The findings resulting from the review.

(B) RECOMMENDATIONS.—Recommendations regarding the closure of Fort Buchanan and the consolidation of United States military forces to Roosevelt Roads, Puerto Rico.

(2) TIME FOR SUBMITTAL OF REPORT.—The Comptroller General shall submit the report under paragraph (1) not later than one year after the date of the referendum conducted under section 1302 or the date on which a certification is submitted to the congressional defense committees under section 1302(a)(2), as the case may be.

SEC. 1305. EXEMPT PROPERTY.

(a) IN GENERAL.—The Department of Defense properties and property interests described in subsection (b) may not be transferred out of the Department of Defense under this title.

(b) PROPERTIES DESCRIBED.—The exemption under subsection (a) applies to the following Department of Defense properties and property interests on the island of Vieques:

(1) ROTHR SITE.—The site for relocatable over-the-horizon radar.

(2) TELECOMMUNICATIONS SITES.—The Mount Pirata telecommunications sites.

(3) ASSOCIATED INTERESTS.—Any easements, rights-of-way, and other interests in property that the Secretary of Defense determines necessary for—

(A) ensuring access to the properties referred to in paragraphs (1) and (2);

(B) providing utilities for such properties;

(C) ensuring the security of such properties; and

(D) ensuring effective maintenance and operations on the property.

SEC. 1306. MORATORIUM ON IMPROVEMENTS AT FORT BUCHANAN.

(a) IN GENERAL.—Except as provided in subsection (b), no acquisition, construction, conversion, rehabilitation, extension, or improvement of any facility at Fort Buchanan, Puerto Rico, may be initiated or continued on or after the date of the enactment of this Act.

(b) EXCEPTIONS.—The prohibition in subsection (a) does not apply to the following:

(1) Actions necessary to maintain the existing facilities (including utilities) at Fort Buchanan.

(2) The construction of reserve component facilities authorized before the date of the enactment of this Act.

(c) TERMINATION.—This subsection shall cease to be effective upon the issuance of a proclamation described in section 1303(a).

SEC. 1307. PROPERTY TRANSFERRED TO SECRETARY OF THE INTERIOR.

(a) TRANSFERS REQUIRED.—Not later than September 30, 2005, the Secretary of Defense shall, except as provided in section 1305, transfer to the Secretary of the Interior all Department of Defense real properties on the western part of the island of Vieques that are identified as conservation zones.

(b) ADMINISTRATION OF PROPERTIES AS WILDLIFE REFUGES.—The Secretary of the Interior shall administer as wildlife refuges under the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.) all properties transferred to the Secretary under this section.

SEC. 1308. LIVE IMPACT AREA.

(a) RESPONSIBILITY FOR LIVE IMPACT AREA.—Upon a termination of Navy and Marine Corps training operations on the island of Vieques under section 1304(b), and pending the enactment of a law that addresses the disposition of the Live Impact Area, the Secretary of the Interior shall assume responsibility for the administration of the Live Impact Area and deny public access to the area.

(b) LIVE IMPACT AREA DEFINED.—In this title, the term ''Live Impact Area'' means the parcel of real property, consisting of approximately 900 acres (more or less), on the island of Vieques that is designated by the Secretary of the Navy for targeting by live ordnance in the training of forces of the Navy and Marine Corps.

TITLE XIV—GOVERNMENT INFORMATION SECURITY REFORM

SEC. 1401. SHORT TITLE.

This title may be cited as the ''Government Information Security Act''.

SEC. 1402. COORDINATION OF FEDERAL INFORMATION POLICY.

Chapter 35 of title 44, United States Code, is amended by inserting at the end the following:

''SUBCHAPTER II—INFORMATION SECURITY

''§ 3531. Purposes

''The purposes of this subchapter are to—

''(1) provide a comprehensive framework for establishing and ensuring the effectiveness of controls over information resources that support Federal operations and assets;

''(2)(A) recognize the highly networked nature of the Federal computing environment including the need for Federal Government interoperability and, in the implementation of improved security management measures, assure that opportunities for interoperability are not adversely affected; and

''(B) provide effective governmentwide management and oversight of the related information security risks, including coordination of information security efforts throughout the civilian, national security, and law enforcement communities;

''(3) provide for development and maintenance of minimum controls required to protect Federal information and information systems; and

''(4) provide a mechanism for improved oversight of Federal agency information security programs.

''§ 3532. Definitions

''(a) Except as provided under subsection (b), the definitions under section 3502 shall apply to this subchapter.

''(b) As used in this subchapter the term—

''(1) 'information technology' has the meaning given that term in section 5002 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1401); and

''(2) 'mission critical system' means any telecommunications or information system used or operated by an agency or by a contractor of an agency, or other organization on behalf of an agency, that—

''(A) is defined as a national security system under section 5142 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1452);

''(B) is protected at all times by procedures established for information which has been specifically authorized under criteria established by an Executive order or an Act of Congress to be classified in the interest of national defense or foreign policy; or

''(C) processes any information, the loss, misuse, disclosure, or unauthorized access to or modification of, would have a debilitating impact on the mission of an agency.

''§ 3533. Authority and functions of the Director

''(a)(1) The Director shall establish governmentwide policies for the management of programs that—

''(A) support the cost-effective security of Federal information systems by promoting security as an integral component of each agency's business operations; and

''(B) include information technology architectures as defined under section 5125 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1425).

''(2) Policies under this subsection shall—

''(A) be founded on a continuing risk management cycle that recognizes the need to—

''(i) identify, assess, and understand risk; and

''(ii) determine security needs commensurate with the level of risk;

''(B) implement controls that adequately address the risk;

''(C) promote continuing awareness of information security risk; and

''(D) continually monitor and evaluate policy and control effectiveness of information security practices.

''(b) The authority under subsection (a) includes the authority to—

''(1) oversee and develop policies, principles, standards, and guidelines for the handling of Federal information and information resources to improve the efficiency and effectiveness of governmental operations, including principles, policies, and guidelines for the implementation of agency responsibilities under applicable law for ensuring the privacy, confidentiality, and security of Federal information;

''(2) consistent with the standards and guidelines promulgated under section 5131 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1441) and sections 5 and 6 of the Computer Security Act of 1987 (40 U.S.C. 1441 note; Public Law 100–235; 101 Stat. 1729), require Federal agencies to identify and afford security protections commensurate with the risk and magnitude of the harm resulting from the loss, misuse, or unauthorized access to or modification of information collected or maintained by or on behalf of an agency;

''(3) direct the heads of agencies to—

''(A) identify, use, and share best security practices;

''(B) develop an agency-wide information security plan;

''(C) incorporate information security principles and practices throughout the life cycles of the agency's information systems; and

''(D) ensure that the agency's information security plan is practiced throughout all life cycles of the agency's information systems;

''(4) oversee the development and implementation of standards and guidelines relating to security controls for Federal computer systems by the Secretary of Commerce through the National Institute of Standards and Technology under section 5131 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1441) and section 20 of the National Institute of Standards and Technology Act (15 U.S.C. 278g–3);

''(5) oversee and coordinate compliance with this section in a manner consistent with—

''(A) sections 552 and 552a of title 5;

''(B) sections 20 and 21 of the National Institute of Standards and Technology Act (15 U.S.C. 278g–3 and 278g–4);

''(C) section 5131 of the Clinger-Cohen Act of 1996 (40 U.S.C. 1441);

''(D) sections 5 and 6 of the Computer Security Act of 1987 (40 U.S.C. 1441 note; Public Law 100–235; 101 Stat. 1729); and

''(E) related information management laws; and

''(6) take any authorized action under section 5113(b)(5) of the Clinger-Cohen Act of 1996 (40 U.S.C. 1413(b)(5)) that the Director considers appropriate, including any action involving the budgetary process or appropriations management process, to enforce accountability of the head of an agency for information resources management, including the requirements of this subchapter, and for the investments made by the agency in information technology, including—

''(A) recommending a reduction or an increase in any amount for information resources that the head of the agency proposes for the budget submitted to Congress under section 1105(a) of title 31;

''(B) reducing or otherwise adjusting apportionments and reapportionments of appropriations for information resources; and

''(C) using other authorized administrative controls over appropriations to restrict the availability of funds for information resources.

''(c) The authorities of the Director under this section may be delegated—

''(1) to the Secretary of Defense, the Director of Central Intelligence, and other agency head as designated by the President in the case of systems described under subparagraphs (A) and (B) of section 3532(b)(2); and

''(2) in the case of all other Federal information systems, only to the Deputy Director for Management of the Office of Management and Budget.

''§ 3534. Federal agency responsibilities

''(a) The head of each agency shall—

''(1) be responsible for—

''(A) adequately ensuring the integrity, confidentiality, authenticity, availability, and nonrepudiation of information and information systems supporting agency operations and assets;

''(B) developing and implementing information security policies, procedures, and control techniques sufficient to afford security protections commensurate with the risk and magnitude of the harm resulting from unauthorized disclosure, disruption, modification, or destruction of information collected or maintained by or for the agency; and

''(C) ensuring that the agency's information security plan is practiced throughout the life cycle of each agency system;

''(2) ensure that appropriate senior agency officials are responsible for—

''(A) assessing the information security risks associated with the operations and assets for programs and systems over which such officials have control;

''(B) determining the levels of information security appropriate to protect such operations and assets; and

''(C) periodically testing and evaluating information security controls and techniques;

''(3) delegate to the agency Chief Information Officer established under section 3506, or a comparable official in an agency not covered by such section, the authority to administer all functions under this subchapter including—

''(A) designating a senior agency information security official who shall report to the Chief Information Officer or a comparable official;

''(B) developing and maintaining an agency-wide information security program as required under subsection (b);

''(C) ensuring that the agency effectively implements and maintains information security policies, procedures, and control techniques;

''(D) training and overseeing personnel with significant responsibilities for information security with respect to such responsibilities; and

''(E) assisting senior agency officials concerning responsibilities under paragraph (2);

''(4) ensure that the agency has trained personnel sufficient to assist the agency in complying with the requirements of this subchapter and related policies, procedures, standards, and guidelines; and

''(5) ensure that the agency Chief Information Officer, in coordination with senior agency officials, periodically—

''(A)(i) evaluates the effectiveness of the agency information security program, including testing control techniques; and

''(ii) implements appropriate remedial actions based on that evaluation; and

''(B) reports to the agency head on—

''(i) the results of such tests and evaluations; and

''(ii) the progress of remedial actions.

''(b)(1) Each agency shall develop and implement an agencywide information security program to provide information security for the operations and assets of the agency, including operations and assets provided or managed by another agency.

''(2) Each program under this subsection shall include—

''(A) periodic risk assessments that consider internal and external threats to—

''(i) the integrity, confidentiality, and availability of systems; and

''(ii) data supporting critical operations and assets;

''(B) policies and procedures that—

''(i) are based on the risk assessments required under subparagraph (A) that cost-effectively reduce information security risks to an acceptable level; and

''(ii) ensure compliance with—

''(I) the requirements of this subchapter;

''(II) policies and procedures as may be prescribed by the Director; and

''(III) any other applicable requirements;

''(C) security awareness training to inform personnel of—

''(i) information security risks associated with the activities of personnel; and

''(ii) responsibilities of personnel in complying with agency policies and procedures designed to reduce such risks;

''(D)(i) periodic management testing and evaluation of the effectiveness of information security policies and procedures; and

''(ii) a process for ensuring remedial action to address any significant deficiencies; and

''(E) procedures for detecting, reporting, and responding to security incidents, including—

''(i) mitigating risks associated with such incidents before substantial damage occurs;

''(ii) notifying and consulting with law enforcement officials and other offices and authorities;

''(iii) notifying and consulting with an office designated by the Administrator of General Services within the General Services Administration; and

''(iv) notifying and consulting with an office designated by the Secretary of Defense, the Director of Central Intelligence, and other agency head as designated by the President for incidents involving systems described under subparagraphs (A) and (B) of section 3532(b)(2).

''(3) Each program under this subsection is subject to the approval of the Director and is required to be reviewed at least annually by agency program officials in consultation with the Chief Information Officer. In the case of systems described under subparagraphs (A) and (B) of section 3532(b)(2), the Director shall delegate approval authority under this paragraph to the Secretary of Defense, the Director of Central Intelligence, and other agency head as designated by the President.

''(c)(1) Each agency shall examine the adequacy and effectiveness of information security policies, procedures, and practices in plans and reports relating to—

''(A) annual agency budgets;

''(B) information resources management under the Paperwork Reduction Act of 1995 (44 U.S.C. 101 note);

''(C) performance and results based management under the Clinger-Cohen Act of 1996 (40 U.S.C. 1401 et seq.);

''(D) program performance under sections 1105 and 1115 through 1119 of title 31, and sections 2801 through 2805 of title 39; and

''(E) financial management under—

''(i) chapter 9 of title 31, United States Code, and the Chief Financial Officers Act of 1990 (31 U.S.C. 501 note; Public Law 101–576) (and the amendments made by that Act);

''(ii) the Federal Financial Management Improvement Act of 1996 (31 U.S.C. 3512 note) (and the amendments made by that Act); and

''(iii) the internal controls conducted under section 3512 of title 31.

''(2) Any significant deficiency in a policy, procedure, or practice identified under paragraph (1) shall be reported as a material weakness in reporting required under the applicable provision of law under paragraph (1).

''(d)(1) In addition to the requirements of subsection (c), each agency, in consultation with the Chief Information Officer, shall include as part of the performance plan required under section 1115 of title 31 a description of—

''(A) the time periods; and

''(B) the resources, including budget, staffing, and training,

which are necessary to implement the program required under subsection (b)(1).

''(2) The description under paragraph (1) shall be based on the risk assessment required under subsection (b)(2)(A).

''§ 3535. Annual independent evaluation

''(a)(1) Each year each agency shall have performed an independent evaluation of the information security program and practices of that agency.

''(2) Each evaluation under this section shall include—

''(A) an assessment of compliance with—

''(i) the requirements of this subchapter; and

''(ii) related information security policies, procedures, standards, and guidelines; and

''(B) tests of the effectiveness of information security control techniques.

''(3) The Inspector General or the independent evaluator performing an evaluation under this section including the Comptroller General may use any audit, evaluation, or report relating to programs or practices of the applicable agency.

''(b)(1)(A) Subject to subparagraph (B), for agencies with Inspectors General appointed under the Inspector General Act of 1978 (5 U.S.C. App.) or any other law, the annual evaluation required under this section or, in the case of systems described under subparagraphs (A) and (B) of section 3532(b)(2), an audit of the annual evaluation required under this section, shall be performed by the Inspector General or by an independent evaluator, as determined by the Inspector General of the agency.

''(B) For systems described under subparagraphs (A) and (B) of section 3532(b)(2), the evaluation required under this section shall be performed only by an entity designated by the Secretary of Defense, the Director of Central Intelligence, or other agency head as designated by the President.

''(2) For any agency to which paragraph (1) does not apply, the head of the agency shall contract with an independent evaluator to perform the evaluation.

''(3) An evaluation of agency information security programs and practices performed by the Comptroller General may be in lieu of the evaluation required under this section.

''(c) Not later than 1 year after the date of enactment of this subchapter, and on that date every year thereafter, the applicable agency head shall submit to the Director—

''(1) the results of each evaluation required under this section, other than an evaluation of a system described under subparagraph (A) or (B) of section 3532(b)(2); and

''(2) the results of each audit of an evaluation required under this section of a system described under subparagraph (A) or (B) of section 3532(b)(2).

''(d)(1) Each year the Comptroller General shall review—

''(A) the evaluations required under this section (other than an evaluation of a system described under subparagraph (A) or (B) of section 3532(b)(2));

''(B) the results of each audit of an evaluation required under this section of a system described under subparagraph (A) or (B) of section 3532(b)(2); and

''(C) other information security evaluation results.

''(2) The Comptroller General shall report to Congress regarding the results of the review required under paragraph (1) and the adequacy of agency information programs and practices.

''(3) Evaluations and audits of evaluations of systems under the authority and control of the Director of Central Intelligence and evaluations and audits of evaluation of National Foreign Intelligence Programs systems under the authority and control of the Secretary of Defense—

''(A) shall not be provided to the Comptroller General under this subsection; and

''(B) shall be made available only to the appropriate oversight committees of Congress, in accordance with applicable laws.

''(e) Agencies and evaluators shall take appropriate actions to ensure the protection of information, the disclosure of which may adversely affect information security. Such protections shall be commensurate with the risk and comply with all applicable laws.''.

SEC. 1403. RESPONSIBILITIES OF CERTAIN AGENCIES.

(a) DEPARTMENT OF COMMERCE.—Notwithstanding section 20 of the National Institute of Standards and Technology Act (15 U.S.C. 278g–3) and except as provided under subsection (b), the Secretary of Commerce, through the National Institute of Standards and Technology and with technical assistance from the National Security Agency, as required or when requested, shall—

(1) develop, issue, review, and update standards and guidance for the security of Federal information systems, including development of methods and techniques for security systems and validation programs;

(2) develop, issue, review, and update guidelines for training in computer security awareness and accepted computer security practices, with assistance from the Office of Personnel Management;

(3) provide agencies with guidance for security planning to assist in the development of applications and system security plans for such agencies;

(4) provide guidance and assistance to agencies concerning cost-effective controls when interconnecting with other systems; and

(5) evaluate information technologies to assess security vulnerabilities and alert Federal agencies of such vulnerabilities as soon as those vulnerabilities are known.

(b) DEPARTMENT OF DEFENSE AND THE INTELLIGENCE COMMUNITY.—

(1) IN GENERAL.—Notwithstanding section 3533 of title 44, United States Code (as added by section 1402 of this Act), the Secretary of Defense, the Director of Central Intelligence, and other agency head as designated by the President, shall, consistent with their respective authorities—

(A) develop and issue information security policies, standards, and guidelines for systems described under subparagraphs (A) and (B) of section 3532(b)(2) of title 44, United States Code (as added by section 1402 of this Act), that provide more stringent protection than the policies, principles, standards, and guidelines required under section 3533 of such title; and

(B) ensure the implementation of the information security policies, principles, standards, and guidelines described under subparagraph (A).

(2) MEASURES ADDRESSED.—The policies, principles, standards, and guidelines developed by the Secretary of Defense and the Director of Central Intelligence under paragraph (1) shall address the full range of information assurance measures needed to protect and defend Federal information and information systems by ensuring their integrity, confidentiality, authenticity, availability, and nonrepudiation.

(c) DEPARTMENT OF JUSTICE.—The Department of Justice shall review and update guidance to agencies on—

(1) legal remedies regarding security incidents and ways to report to and work with law enforcement agencies concerning such incidents; and

(2) lawful uses of security techniques and technologies.

(d) GENERAL SERVICES ADMINISTRATION.—The General Services Administration shall—

(1) review and update General Services Administration guidance to agencies on addressing security considerations when acquiring information technology; and

(2) assist agencies in—

(A) fulfilling agency responsibilities under section 3534(b)(2)(E) of title 44, United States Code (as added by section 1402 of this Act); and

(B) the acquisition of cost-effective security products, services, and incident response capabilities.

(e) OFFICE OF PERSONNEL MANAGEMENT.—The Office of Personnel Management shall—

(1) review and update Office of Personnel Management regulations concerning computer security training for Federal civilian employees;

(2) assist the Department of Commerce in updating and maintaining guidelines for training in computer security awareness and computer security best practices; and

(3) work with the National Science Foundation and other agencies on personnel and training initiatives (including scholarships and fellowships, as authorized by law) as necessary to ensure that the Federal Government—

(A) has adequate sources of continuing information security education and training available for employees; and

(B) has an adequate supply of qualified information security professionals to meet agency needs.

(f) INFORMATION SECURITY POLICIES, PRINCIPLES, STANDARDS, AND GUIDELINES.—

(1) IN GENERAL.—Notwithstanding any provision of this title (including any amendment made by this title)—

(A) the Secretary of Defense, the Director of Central Intelligence, and other agency head as designated by the President shall develop such policies, principles, standards, and guidelines for mission critical systems subject to their control;

(B) the policies, principles, standards, and guidelines developed by the Secretary of Defense, the Director of Central Intelligence, and other agency head as designated by the President may be adopted, to the extent that such policies are consistent with policies and guidance developed by the Director of the Office of Management and Budget and the Secretary of Commerce—

(i) by the Director of the Office of Management and Budget, as appropriate, to the mission critical systems of all agencies; or

(ii) by an agency head, as appropriate, to the mission critical systems of that agency; and

(C) to the extent that such policies are consistent with policies and guidance developed by the Director of the Office of Management and Budget and the Secretary of Commerce, an agency may develop and implement information security policies, principles, standards, and guidelines that provide more stringent protection than those required under section 3533 of title 44, United States Code (as added by section 1402 of this Act), or subsection (a) of this section.

(2) MEASURES ADDRESSED.—The policies, principles, standards, and guidelines developed by the Secretary of Defense and the Director of Central Intelligence under paragraph (1) shall address the full range of information assurance measures needed to protect and defend Federal information and information systems by ensuring their integrity, confidentiality, authenticity, availability, and nonrepudiation.

(g) ATOMIC ENERGY ACT OF 1954.—Nothing in this title (including any amendment made by this title) shall supersede any requirement made by or under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.). Restricted Data or Formerly Restricted Data shall be handled, protected, classified, downgraded, and declassified in conformity with the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.).

SEC. 1404. TECHNICAL AND CONFORMING AMENDMENTS.

(a) IN GENERAL.—Chapter 35 of title 44, United States Code, is amended—

(1) in the table of sections—

(A) by inserting after the chapter heading the following:

''SUBCHAPTER I—FEDERAL INFORMATION POLICY'';

and

(B) by inserting after the item relating to section 3520 the following:

''SUBCHAPTER II—INFORMATION SECURITY

''Sec.
''3531. Purposes.
''3532. Definitions.
''3533. Authority and functions of the Director.
''3534. Federal agency responsibilities.
''3535. Annual independent evaluation.'';

and

(2) by inserting before section 3501 the following:

''SUBCHAPTER I—FEDERAL INFORMATION POLICY''.

(b) REFERENCES TO CHAPTER 35.—Chapter 35 of title 44, United States Code, is amended—

(1) in section 3501—

(A) in the matter preceding paragraph (1), by striking ''chapter'' and inserting ''subchapter''; and

(B) in paragraph (11), by striking ''chapter'' and inserting ''subchapter'';

(2) in section 3502, in the matter preceding paragraph (1), by striking ''chapter'' and inserting ''subchapter'';

(3) in section 3503, in subsection (b), by striking ''chapter'' and inserting ''subchapter'';

(4) in section 3504—

(A) in subsection (a)(2), by striking ''chapter'' and inserting ''subchapter'';

(B) in subsection (d)(2), by striking ''chapter'' and inserting ''subchapter''; and

(C) in subsection (f)(1), by striking ''chapter'' and inserting ''subchapter'';

(5) in section 3505—

(A) in subsection (a), in the matter preceding paragraph (1), by striking ''chapter'' and inserting ''subchapter'';

(B) in subsection (a)(2), by striking ''chapter'' and inserting ''subchapter''; and

(C) in subsection (a)(3)(B)(iii), by striking ''chapter'' and inserting ''subchapter'';

(6) in section 3506—

(A) in subsection (a)(1)(B), by striking ''chapter'' and inserting ''subchapter'';

(B) in subsection (a)(2)(A), by striking ''chapter'' and inserting ''subchapter'';

(C) in subsection (a)(2)(B), by striking ''chapter'' and inserting ''subchapter'';

(D) in subsection (a)(3)—

(i) in the first sentence, by striking ''chapter'' and inserting ''subchapter''; and

(ii) in the second sentence, by striking ''chapter'' and inserting ''subchapter'';

(E) in subsection (b)(4), by striking ''chapter'' and inserting ''subchapter'';

(F) in subsection (c)(1), by striking ''chapter, to'' and inserting ''subchapter, to''; and

(G) in subsection (c)(1)(A), by striking ''chapter'' and inserting ''subchapter'';

(7) in section 3507—

(A) in subsection (e)(3)(B), by striking ''chapter'' and inserting ''subchapter'';

(B) in subsection (h)(2)(B), by striking ''chapter'' and inserting ''subchapter'';

(C) in subsection (h)(3), by striking ''chapter'' and inserting ''subchapter'';

(D) in subsection (j)(1)(A)(i), by striking ''chapter'' and inserting ''subchapter'';

(E) in subsection (j)(1)(B), by striking ''chapter'' and inserting ''subchapter''; and

(F) in subsection (j)(2), by striking ''chapter'' and inserting ''subchapter'';

(8) in section 3509, by striking ''chapter'' and inserting ''subchapter'';

(9) in section 3512—

(A) in subsection (a), by striking ''chapter if'' and inserting ''subchapter if''; and

(B) in subsection (a)(1), by striking ''chapter'' and inserting ''subchapter'';

(10) in section 3514—

(A) in subsection (a)(1)(A), by striking ''chapter'' and inserting ''subchapter''; and

(B) in subsection (a)(2)(A)(ii), by striking ''chapter'' and inserting ''subchapter'' each place it appears;

(11) in section 3515, by striking ''chapter'' and inserting ''subchapter'';

(12) in section 3516, by striking ''chapter'' and inserting ''subchapter'';

(13) in section 3517(b), by striking ''chapter'' and inserting ''subchapter'';

(14) in section 3518—

(A) in subsection (a), by striking ''chapter'' and inserting ''subchapter'' each place it appears;

(B) in subsection (b), by striking ''chapter'' and inserting ''subchapter'';

(C) in subsection (c)(1), by striking ''chapter'' and inserting ''subchapter'';

(D) in subsection (c)(2), by striking ''chapter'' and inserting ''subchapter'';

(E) in subsection (d), by striking ''chapter'' and inserting ''subchapter''; and

(F) in subsection (e), by striking ''chapter'' and inserting ''subchapter''; and

(15) in section 3520, by striking ''chapter'' and inserting ''subchapter''.

SEC. 1405. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect 30 days after the date of enactment of this Act.

TITLE XV—LOCAL LAW ENFORCEMENT ENHANCEMENT ACT OF 2000

SEC. 1501. SHORT TITLE.

This title may be cited as the ''Local Law Enforcement Enhancement Act of 2000''.

SEC. 1502. FINDINGS.

Congress makes the following findings:

(1) The incidence of violence motivated by the actual or perceived race, color, religion, national origin, gender, sexual orientation, or disability of the victim poses a serious national problem.

(2) Such violence disrupts the tranquility and safety of communities and is deeply divisive.

(3) State and local authorities are now and will continue to be responsible for prosecuting the overwhelming majority of violent crimes in the United States, including violent crimes motivated by bias. These authorities can carry out their responsibilities more effectively with greater Federal assistance.

(4) Existing Federal law is inadequate to address this problem.

(5) The prominent characteristic of a violent crime motivated by bias is that it devastates not just the actual victim and the victim's family and friends, but frequently savages the community sharing the traits that caused the victim to be selected.

(6) Such violence substantially affects interstate commerce in many ways, including—

(A) by impeding the movement of members of targeted groups and forcing such members to move across State lines to escape the incidence or risk of such violence; and

(B) by preventing members of targeted groups from purchasing goods and services, obtaining or sustaining employment or participating in other commercial activity.

(7) Perpetrators cross State lines to commit such violence.

(8) Channels, facilities, and instrumentalities of interstate commerce are used to facilitate the commission of such violence.

(9) Such violence is committed using articles that have traveled in interstate commerce.

(10) For generations, the institutions of slavery and involuntary servitude were defined by the race, color, and ancestry of those held in bondage. Slavery and involuntary servitude were enforced, both prior to and after the adoption of the 13th amendment to the Constitution of the United States, through widespread public and private violence directed at persons because of their race, color, or ancestry, or perceived race, color, or ancestry. Accordingly, eliminating racially motivated violence is an important means of eliminating, to the extent possible, the badges, incidents, and relics of slavery and involuntary servitude.

(11) Both at the time when the 13th, 14th, and 15th amendments to the Constitution of the United States were adopted, and continuing to date, members of certain religious and national origin groups were and are perceived to be distinct ''races''. Thus, in order to eliminate, to the extent possible, the badges, incidents, and relics of slavery, it is necessary to prohibit assaults on the basis of real or perceived religions or national origins, at least to the extent such religions or national origins were regarded as races at the time of the adoption of the 13th, 14th, and 15th amendments to the Constitution of the United States.

(12) Federal jurisdiction over certain violent crimes motivated by bias enables Federal, State, and local authorities to work together as partners in the investigation and prosecution of such crimes.

(13) The problem of crimes motivated by bias is sufficiently serious, widespread, and interstate in nature as to warrant Federal assistance to States and local jurisdictions.

SEC. 1503. DEFINITION OF HATE CRIME.

In this title, the term ''hate crime'' has the same meaning as in section 280003(a) of the Violent Crime Control and Law Enforcement Act of 1994 (28 U.S.C. 994 note).

SEC. 1504. SUPPORT FOR CRIMINAL INVESTIGATIONS AND PROSECUTIONS BY STATE AND LOCAL LAW ENFORCEMENT OFFICIALS.

(a) ASSISTANCE OTHER THAN FINANCIAL ASSISTANCE.—

(1) IN GENERAL.—At the request of a law enforcement official of a State or Indian tribe, the Attorney General may provide technical, forensic, prosecutorial, or any other form of assistance in the criminal investigation or prosecution of any crime that—

(A) constitutes a crime of violence (as defined in section 16 of title 18, United States Code);

(B) constitutes a felony under the laws of the State or Indian tribe; and

(C) is motivated by prejudice based on the victim's race, color, religion, national origin, gender, sexual orientation, or disability or is a violation of the hate crime laws of the State or Indian tribe.

(2) PRIORITY.—In providing assistance under paragraph (1), the Attorney General shall give priority to crimes committed by offenders who have committed crimes in more than 1 State and to rural jurisdictions that have difficulty covering the extraordinary expenses relating to the investigation or prosecution of the crime.

(b) GRANTS.—

(1) IN GENERAL.—The Attorney General may award grants to assist State, local, and Indian law enforcement officials with the extraordinary expenses associated with the investigation and prosecution of hate crimes. In implementing the grant program, the Office of Justice Programs shall work closely with the funded jurisdictions to ensure that the concerns and needs of all affected parties, including community groups and schools, colleges, and universities, are addressed through the local infrastructure developed under the grants.

(2) APPLICATION.—

(A) IN GENERAL.—Each State desiring a grant under this subsection shall submit an application to the Attorney General at such time, in such manner, and accompanied by or containing such information as the Attorney General shall reasonably require.

(B) DATE FOR SUBMISSION.—Applications submitted pursuant to subparagraph (A) shall be submitted during the 60-day period beginning on a date that the Attorney General shall prescribe.

(C) REQUIREMENTS.—A State or political subdivision of a State or tribal official applying for assistance under this subsection shall—

(i) describe the extraordinary purposes for which the grant is needed;

(ii) certify that the State, political subdivision, or Indian tribe lacks the resources necessary to investigate or prosecute the hate crime;

(iii) demonstrate that, in developing a plan to implement the grant, the State, political subdivision, or tribal official has consulted and coordinated with nonprofit, nongovernmental victim services programs that have experience in providing services to victims of hate crimes; and

(iv) certify that any Federal funds received under this subsection will be used to supplement, not supplant, non-Federal funds that would otherwise be available for activities funded under this subsection.

(3) DEADLINE.—An application for a grant under this subsection shall be approved or disapproved by the Attorney General not later than 30 business days after the date on which the Attorney General receives the application.

(4) GRANT AMOUNT.—A grant under this subsection shall not exceed $100,000 for any single jurisdiction within a 1 year period.

(5) REPORT.—Not later than December 31, 2001, the Attorney General shall submit to Congress a report describing the applications submitted for grants under this subsection, the award of such grants, and the purposes for which the grant amounts were expended.

(6) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $5,000,000 for each of fiscal years 2001 and 2002.

SEC. 1505. GRANT PROGRAM.

(a) AUTHORITY TO MAKE GRANTS.—The Office of Justice Programs of the Department of Justice shall award grants, in accordance with such regulations as the Attorney General may prescribe, to State and local programs designed to combat hate crimes committed by juveniles, including programs to train local law enforcement officers in identifying, investigating, prosecuting, and preventing hate crimes.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 1506. AUTHORIZATION FOR ADDITIONAL PERSONNEL TO ASSIST STATE AND LOCAL LAW ENFORCEMENT.

There are authorized to be appropriated to the Department of the Treasury and the Department of Justice, including the Community Relations Service, for fiscal years 2001, 2002, and 2003 such sums as are necessary to increase the number of personnel to prevent and respond to alleged violations of section 249 of title 18, United States Code (as added by this title).

SEC. 1507. PROHIBITION OF CERTAIN HATE CRIME ACTS.

(a) IN GENERAL.—Chapter 13 of title 18, United States Code, is amended by adding at the end the following:

''§ 249. Hate crime acts

''(a) IN GENERAL.—

''(1) OFFENSES INVOLVING ACTUAL OR PERCEIVED RACE, COLOR, RELIGION, OR NATIONAL ORIGIN.—Whoever, whether or not acting under color of law, willfully causes bodily injury to any person or, through the use of fire, a firearm, or an explosive or incendiary device, attempts to cause bodily injury to any person, because of the actual or perceived race, color, religion, or national origin of any person—

''(A) shall be imprisoned not more than 10 years, fined in accordance with this title, or both; and

''(B) shall be imprisoned for any term of years or for life, fined in accordance with this title, or both, if—

''(i) death results from the offense; or

''(ii) the offense includes kidnaping or an attempt to kidnap, aggravated sexual abuse or an attempt to commit aggravated sexual abuse, or an attempt to kill.

''(2) OFFENSES INVOLVING ACTUAL OR PERCEIVED RELIGION, NATIONAL ORIGIN, GENDER, SEXUAL ORIENTATION, OR DISABILITY.—

''(A) IN GENERAL.—Whoever, whether or not acting under color of law, in any circumstance described in subparagraph (B), willfully causes bodily injury to any person or, through the use of fire, a firearm, or an explosive or incendiary device, attempts to cause bodily injury to any person, because of the actual or perceived religion, national origin, gender, sexual orientation, or disability of any person—

''(i) shall be imprisoned not more than 10 years, fined in accordance with this title, or both; and

''(ii) shall be imprisoned for any term of years or for life, fined in accordance with this title, or both, if—

''(I) death results from the offense; or

''(II) the offense includes kidnaping or an attempt to kidnap, aggravated sexual abuse or an attempt to commit aggravated sexual abuse, or an attempt to kill.

''(B) CIRCUMSTANCES DESCRIBED.—For purposes of subparagraph (A), the circumstances described in this subparagraph are that—

''(i) the conduct described in subparagraph (A) occurs during the course of, or as the result of, the travel of the defendant or the victim—

''(I) across a State line or national border; or

''(II) using a channel, facility, or instrumentality of interstate or foreign commerce;

''(ii) the defendant uses a channel, facility, or instrumentality of interstate or foreign commerce in connection with the conduct described in subparagraph (A);

''(iii) in connection with the conduct described in subparagraph (A) the defendant employs a firearm, explosive or incendiary device, or other weapon that has traveled in interstate or foreign commerce; or

''(iv) the conduct described in subparagraph (A)—

''(I) interferes with commercial or other economic activity in which the victim is engaged at the time of the conduct; or

''(II) otherwise affects interstate or foreign commerce.

''(b) CERTIFICATION REQUIREMENT.—No prosecution of any offense described in this subsection may be undertaken by the United States, except under the certification in writing of the Attorney General, the Deputy Attorney General, the Associate Attorney General, or any Assistant Attorney General specially designated by the Attorney General that—

''(1) he or she has reasonable cause to believe that the actual or perceived race, color, religion, national origin, gender, sexual orientation, or disability of any person was a motivating factor underlying the alleged conduct of the defendant; and

''(2) he or his designee or she or her designee has consulted with State or local law enforcement officials regarding the prosecution and determined that—

''(A) the State does not have jurisdiction or does not intend to exercise jurisdiction;

''(B) the State has requested that the Federal Government assume jurisdiction;

''(C) the State does not object to the Federal Government assuming jurisdiction; or

''(D) the verdict or sentence obtained pursuant to State charges left demonstratively unvindicated the Federal interest in eradicating bias-motivated violence.

''(c) DEFINITIONS.—In this section—

''(1) the term 'explosive or incendiary device' has the meaning given the term in section 232 of this title; and

''(2) the term 'firearm' has the meaning given the term in section 921(a) of this title.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The analysis for chapter 13 of title 18, United States Code, is amended by adding at the end the following:

''249. Hate crime acts.''.

SEC. 1508. DUTIES OF FEDERAL SENTENCING COMMISSION.

(a) AMENDMENT OF FEDERAL SENTENCING GUIDELINES.—Pursuant to its authority under section 994 of title 28, United States Code, the United States Sentencing Commission shall study the issue of adult recruitment of juveniles to commit hate crimes and shall, if appropriate, amend the Federal sentencing guidelines to provide sentencing enhancements (in addition to the sentencing enhancement provided for the use of a minor during the commission of an offense) for adult defendants who recruit juveniles to assist in the commission of hate crimes.

(b) CONSISTENCY WITH OTHER GUIDELINES.—In carrying out this section, the United States Sentencing Commission shall—

(1) ensure that there is reasonable consistency with other Federal sentencing guidelines; and

(2) avoid duplicative punishments for substantially the same offense.

SEC. 1509. STATISTICS.

Subsection (b)(1) of the first section of the Hate Crimes Statistics Act (28 U.S.C. 534 note) is amended by inserting ''gender,'' after ''race,''.

SEC. 1510. SEVERABILITY.

If any provision of this title, an amendment made by this title, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this title, the amendments made by this title, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the ''Military Construction Authorization Act for Fiscal Year 2001''.

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or location	Amount
Alabama	Redstone Arsenal	$23,400,000
Alaska	Fort Richardson	$3,000,000
Arizona	Fort Huachuca	$1,250,000
California	Fort Irwin	$31,000,000
Georgia	Fort Benning	$15,800,000
Hawaii	Pohakuloa Training Range	$32,000,000
	Wheeler Army Air Field	$43,800,000
Kansas	Fort Riley	$22,000,000
Maryland	Aberdeen Proving Ground	$3,100,000
	Fort Meade	$19,000,000
Missouri	Fort Leonard Wood	$61,200,000
North Carolina	Fort Bragg	$222,200,000
	Sunny Point Military Ocean Terminal	$2,300,000
Ohio	Columbus	$1,832,000
Oklahoma	Fort Sill	$10,100,000
Pennsylvania	Carlisle Barracks	$10,500,000
	New Cumberland Army Depot	$3,700,000
Texas	Fort Bliss	$26,000,000
	Fort Hood	$26,000,000
	Red River Army Depot	$800,000
Virginia	Fort Eustis	$4,450,000
	Total:	$563,432,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Amount
Germany	Area Support Group, Bamberg	$11,650,000
	Area Support Group, Darmstadt	$11,300,000
	Kaiserslautern	$3,400,000
	Mannheim	$4,050,000
Korea	Camp Humphreys	$14,200,000
	Camp Page	$19,500,000
	Total:	$64,100,000

(c) UNSPECIFIED WORLDWIDE.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(3), the Secretary of the Army may acquire real property and carry out military construction projects for the installation and location, and in the amount, set forth in the following table:

Army: Unspecified Worldwide

Location	Installation	Amount
Unspecified Worldwide	Classified Location	$11,500,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State or County	Installation or location	Purpose	Amount
Alaska	Fort Wainwright	72 Units	$24,000,000
Arizona	Fort Huachuca	110 Units	$16,224,000
Hawaii	Schofield Barracks	72 Units	$15,500,000
Kentucky	Fort Campbell	56 Units	$7,800,000
	Fort Campbell	128 Units	$20,000,000
Maryland	Fort Detrick	48 Units	$5,600,000
North Carolina	Fort Bragg	112 Units	$14,600,000
South Carolina	Fort Jackson	1 Unit	$250,000
Texas	Fort Bliss	64 Units	$10,200,000
	Fort Sam Houston	80 Units	$10,000,000
Korea	Camp Humphreys	60 Units	$21,800,000
	Total:		$145,974,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $8,742,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $63,590,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Subject to subsection (c), funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2000, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $1,978,295,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $372,832,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $64,100,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2101(c), $11,500,000.

(4) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $15,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $97,482,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $218,306,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $978,275,000.

(7) For the construction of the Ammunition Demilitarization Facility, Pine Bluff Arsenal, Arkansas, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3040), as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1996 (division B of Public Law 104–106; 110 Stat. 539), section 2408 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1982), and section 2406 of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2197), $43,600,000.

(8) For the construction of the Ammunition Demilitarization Facility Phase 6, Umatilla Army Depot, Oregon, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1995, as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1996, section 2408 of the Military Construction Authorization Act for Fiscal Year 1998, and section 2406 of the Military Construction Authorization Act for Fiscal Year 1999, $9,400,000.

(9) For the construction of the Ammunition Demilitarization Facility Phase 2, Pueblo Army Depot, Colorado, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839), $10,700,000.

(10) For the construction of the Ammunition Demilitarization Facility Phase 3, Newport Army Depot, Indiana, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (112 Stat. 2193), $54,400,000.

(11) For the construction of the Ammunition Demilitarization Facility phase 3, Aberdeen Proving Ground, Maryland, authorized in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999, $45,700,000.

(12) For the construction of the railhead facility, Fort Hood, Texas, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1999, as amended by section 2106 of this Act, $9,800,000.

(13) For the construction of a Barracks Complex—Infantry Drive Phase 1C, Fort Riley, Kansas, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1999, as amended by section 2106 of this Act, $10,000,000.

(14) For the construction of a Multipurpose Digital Range Phase 3, Fort Knox, Kentucky, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1999, $600,000.

(15) For the construction of the Chemical Defense Qualification Facility, Pine Bluff Arsenal, Arkansas, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2000 (113 Stat. 825), $2,592,000.

(16) For the construction of a Barracks Complex—Wilson Street Phase 1B, Schofield Barracks, Hawaii, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2000, $22,400,000.

(17) For the construction of the Ammunition Demilitarization Support Phase 2, Blue Grass Army Depot, Kentucky, authorized in section 2401(a) the Military Construction Act for Fiscal Year 2000 (113 Stat. 836), $8,500,000.

(18) For the construction of a Barracks Complex—Tagaytay Street Phase 2B, Fort Bragg, North Carolina, authorized in section 2101(a) of the Military Construction Act for Fiscal Year 2000, $3,108,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a);

(2) $22,600,000 (the balance of the amount authorized under section 2101(a) for the construction of a Basic Training Complex at Fort Leonard Wood, Missouri);

(3) $10,000,000 (the balance of the amount authorized under section 2101(a) for construction of a Multipurpose Digital Training Range at Fort Hood, Texas);

(4) $34,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks complex, Longstreet Road Phase I at Fort Bragg, North Carolina);

(5) $104,000,000 (the balance of the amount authorized under section 2101(a) for the construction of a barracks complex, Bunter Road Phase I at Fort Bragg, North Carolina); and

(6) $20,000,000 (the balance of the amount authorized under section 2101(a) for the construction of Saddle Access Road, Pohakuloa Training Facility, Hawaii).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (18) of subsection (a) is the sum of the amounts authorized to be appropriated by those paragraphs, reduced by $20,546,000 which represents savings in the foreign currency account.

SEC. 2105. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2000 PROJECTS.

(a) CONSTRUCTION PROJECTS INSIDE THE UNITED STATES.—The table in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 825) is amended—

(1) in the item relating to Fort Stewart, Georgia, by striking ''$71,700,000'' in the amount column and inserting ''$25,700,000'';

(2) by striking the item relating to Fort Riley, Kansas; and

(3) by striking the amount identified as the total in the amount column and inserting ''$956,750,000''.

(b) UNSPECIFIED MINOR CONSTRUCTION PROJECTS.—Subsection (a)(3) of section 2104 of the Military Construction Authorization Act for Fiscal Year 2000 (113 Stat. 826) is amended by striking ''$9,500,000'' and inserting ''$14,600,000''.

(c) CONFORMING AMENDMENTS.—Section 2104 of the Military Construction Authorization Act for Fiscal Year 2000 is further amended—

(1) in the matter preceding subsection (a), by striking ''$2,353,231,000'' and inserting ''$2,358,331,000''; and

(2) by striking paragraph (7) of subsection (b).

SEC. 2106. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 1999 PROJECTS.

(a) MODIFICATION.—The table in section 2101 of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2182) is amended—

(1) in the item relating to Fort Hood, Texas, by striking ''$32,500,000'' in the amount column and inserting ''$45,300,000'';

(2) in the item relating to Fort Riley, Kansas, by striking ''$41,000,000'' in the amount column and inserting ''$44,500,000''; and

(3) by striking the amount identified as the total in the amount column and inserting ''$785,081,000''.

(b) CONFORMING AMENDMENTS.—Section 2104 of that Act (112 Stat. 2184) is amended—

(1) in the matter preceding subsection (a), by striking ''$2,098,713,000'' and inserting ''$2,111,513,000'';

(2) in subsection (a)(1)(1), by striking ''$609,076,000'' and inserting ''$622,581,000''; and

(3) in subsection (b)(7), by striking ''$24,500,000'' and inserting ''$28,000,000''.

SEC. 2107. MODIFICATION OF AUTHORITY TO CARRY OUT FISCAL YEAR 1998 PROJECT.

(a) MODIFICATION.—The table in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1967), as amended by section 2105(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2185) is further amended—

(1) in the item relating to Hunter Army Airfield, Fort Stewart, Georgia, by striking ''$54,000,000'' in the amount column and inserting ''$57,500,000''; and

(2) by striking the amount identified as the total in the amount column and inserting ''$606,250,000''.

(b) CONFORMING AMENDMENT.—Section 2104(b)(5) of the Military Construction Authorization Act for Fiscal Year 1998 (111 Stat. 1969) is amended by striking ''$42,500,000'' and inserting ''$46,000,000''.

SEC. 2108. AUTHORITY TO ACCEPT FUNDS FOR REALIGNMENT OF CERTAIN MILITARY CONSTRUCTION PROJECT, FORT CAMPBELL, KENTUCKY.

(a) AUTHORITY TO ACCEPT FUNDS.—(1) The Secretary of the Army may accept funds from the Federal Highway Administration or the State of Kentucky for purposes of funding all costs associated with the realignment of the military construction project involving a rail connector located at Fort Campbell, Kentucky, authorized in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2763).

(2) Any funds accepted under paragraph (1) shall be credited to the account of the Department of the Army from which the costs of the realignment of the military construction project described in that paragraph are to be paid.

(b) USE OF FUNDS.—(1) The Secretary may use funds accepted under subsection (a) for any costs associated with the realignment of the military construction project described in that subsection in addition to any amounts authorized and appropriated for the military construction project.

(2) For purposes of paragraph (1), the costs associated with the realignment of the military construction project described in subsection (a) include redesign costs, additional construction costs, additional costs due to construction delays related to the realignment, and additional real estate costs.

(3) Funds accepted under subsection (a) shall remain available under paragraph (1) until expended.

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
Arizona	Marine Corps Air Station, Yuma	$8,200,000
	Navy Detachment, Camp Navajo	$2,940,000
California	Marine Corps Air Station, Miramar	$7,350,000
	Marine Corps Air-Ground Combat Center, Twentynine Palms	$2,100,000
	Marine Corps Base, Camp Pendleton	$8,100,000
	Naval Air Station, Lemoore	$8,260,000
	Naval Air Warfare Center Weapons Division, Point Mugu	$11,400,000
	Naval Aviation Depot, North Island	$4,340,000
	Naval Facility, San Clemente Island	$8,860,000
	Naval Ship Weapons Systems Engineering Station, Port Hueneme	$10,200,000
	Naval Station, San Diego	$53,200,000
Connecticut	Naval Submarine Base, New London	$3,100,000
CONUS Various	CONUS Various	$11,500,000
District of Columbia	Marine Corps Barracks	$17,197,000
	Naval District, Washington	$2,450,000
	Naval Research Laboratory, Washington	$12,390,000
Florida	Coastal System Station, Panama City	$9,960,000
	Naval Air Station, Whiting Field, Milton	$5,130,000
	Naval Surface Warfare Center Detachment, Ft. Lauderdale	$3,570,000
Georgia	Marine Corps Logistics Base, Albany	$1,100,000
	Trident Refit Facility, Kings Bay	$5,200,000
Hawaii	Fleet Industrial Supply Center, Pearl Harbor	$12,000,000
	Naval Undersea Weapons Station Detachment, Lualualei	$2,100,000
	Marine Corps Air Station, Kaneohe	$18,400,000
	Naval Station, Pearl Harbor	$37,600,000
Illinois	Naval Training Center, Great Lakes	$121,400,000
Maine	Naval Air Station, Brunswick	$2,450,000
	Naval Ship Yard, Portsmouth	$4,960,000
Maryland	Naval Explosive Ordinance Disposal Tech Division, Indian Head	$6,430,000
Mississippi	Naval Air Station, Meridian	$6,230,000
	Naval Oceanographic Office, Stennis Space Center	$6,950,000
Nevada	Naval Air Station, Fallon	$6,280,000
New Jersey	Naval Weapons Station, Earle	$2,420,000
North Carolina	Marine Corps Air Station, Cherry Point	$8,480,000
	Marine Corps Air Station, New River	$3,400,000
	Marine Corps Base, Camp LeJeune	$45,870,000
	Naval Aviation Depot, Cherry Point	$7,540,000
Rhode Island	Naval Undersea Warfare Center Division, Newport	$4,150,000
South Carolina	Marine Corps Air Station, Beaufort	$3,140,000
	Marine Corps Recruit Depot, Parris Island	$2,660,000
Texas	Naval Air Station, Kingsville	$2,670,000
Virginia	AEGIS Combat Systems Center, Wallops Island	$3,300,000
	Marine Corps Combat Development Command, Quantico	$8,590,000
	Naval Air Station, Oceana	$5,250,000
	Naval Air Station, Norfolk	$31,450,000
	Naval Amphibious Base, Little Creek	$2,830,000
	Naval Shipyard, Norfolk, Portsmouth	$16,100,000
	Naval Station, Norfolk	$4,700,000
	Naval Surface Warfare Center, Dahlgren	$30,700,000
Washington	Naval Station, Everett	$5,500,000
	Naval Submarine Base, Bangor	$4,600,000
	Puget Sound Naval Shipyard, Bremerton	$78,460,000
	Strategic Weapons Facility Pacific, Bremerton	$1,400,000
	Total:	$694,557,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or location	Amount
Bahrain	Administrative Support Unit	$19,400,000
Italy	Naval Air Station, Sigonella	$32,969,000
	Naval Support Activity, Naples	$15,000,000
Various Locations	Host Nation Infrastructure Support	$142,000
	Total:	$67,511,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Navy: Family Housing

State	Installation or location	Purpose	Amount
California	Marine Corps Air-Ground Combat Center, Twentynine Palms	79 Units	$13,923,000
	Naval Air Station, Lemoore	160 Units	$27,768,000
Hawaii	Commander Naval Base, Pearl Harbor	112 Units	$23,654,000
	Commander Naval Base, Pearl Harbor	62 Units	$14,237,000
	Commander Naval Base, Pearl Harbor	98 Units	$22,230,000
	Marine Corps Air Station, Kaneohe Bay	84 Units	$21,910,000
Maine	Naval Air Station, Brunswick	168 Units	$18,722,000
Mississippi	Naval Station, Pascagoula	140 Units	$21,605,000
North Carolina	Camp LeJeune	149 Units	$7,838,000
Washington	Naval Air Station, Whidbey Island	98 Units	$16,873,000
		Total:	$188,760,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $19,958,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $183,547,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Subject to subsection (c), funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2000, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,095,163,000 as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $633,537,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $66,571,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $7,659,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $64,093,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $392,265,000.

(B) For support of military housing (including functions described in section 2833 of title 10, United States Code), $882,638,000.

(6) For construction of a berthing wharf at Naval Air Station, North Island, California, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 828), $12,800,000.

(7) For construction of the Commander-in-Chief Headquarters, Pacific Command, Camp H.M. Smith, Hawaii, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2000, $35,600,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a);

(2) $17,500,000 (the balance of the amount authorized under section 2201(a) for repair of a pier at Naval Station, San Diego, California);

(3) $12,390,000 (the balance of the amount authorized under section 2201(a) for construction of a Nano Science Research Laboratory, Washington, District of Columbia);

(4) $4,000,000 (the balance of the amount authorized under section 2201(a) for construction of armories at Marine Corps Base, Camp LeJeune, North Carolina);

(5) $2,670,000 (the balance of the amount authorized under section 2201(a) for construction of an aircraft parking apron at Naval Air Station, Kingsville, Texas);

(6) $24,460,000 (the balance of the amount authorized under section 2201(a) for replacement of a pier at Naval Ship Yard, Bremerton, Puget Sound, Washington); and

(7) $940,000 (the balance of the amount authorized under section 2201(b) for construction of community facilities at Naval Air Station, Sigonella, Italy).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (7) of subsection (a) is the sum of the amounts authorized to be appropriated by such paragraphs, reduced by $9,351,000 which represents $3,960,000 for savings in the foreign currency account and $5,391,000 from prior year unobligated funds.

SEC. 2205. CORRECTION IN AUTHORIZED USE OF FUNDS, MARINE CORPS COMBAT DEVELOPMENT COMMAND, QUANTICO, VIRGINIA.

The Secretary of the Navy may carry out a military construction project involving infrastructure development at the Marine Corps Combat Development Command, Quantico, Virginia, in the amount of $8,900,000, using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2769) for a military construction project involving a sanitary landfill at that installation, as authorized by section 2201(a) of that Act (110 Stat. 2767) and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 842) and section 2703 of this Act.

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or location	Amount
Alabama	Maxwell Air Force Base	$3,825,000
Alaska	Cape Romanzof	$3,900,000
	Eielson Air Force Base	$40,990,000
	Elmendorf Air Force Base	$35,186,000
Arizona	Davis-Monthan Air Force Base	$7,900,000
Arkansas	Little Rock Air Force Base	$18,319,000
California	Beale Air Force Base	$10,099,000
	Los Angeles Air Force Base	$6,580,000
	Vandenberg Air Force Base	$4,650,000
Colorado	Buckley Air National Guard Base	$2,750,000
	Peterson Air Force Base	$20,086,000
	Schriever Air Force Base	$8,450,000
	United States Air Force Academy	$18,960,000
CONUS Classified	Classified Location	$1,810,000
District of Columbia	Bolling Air Force Base	$4,520,000

Air Force: Inside the United States—Continued

State	Installation or location	Amount
Florida	Eglin Air Force Base	$8,940,000
	Eglin Auxiliary Field 9	$7,960,000
	Patrick Air Force Base	$12,970,000
	Tyndall Air Force Base	$25,300,000
Georgia	Fort Stewart/Hunter Army Air Field	$4,920,000
	Moody Air Force Base	$11,318,000
	Robins Air Force Base	$4,095,000
Hawaii	Hickam Air Force Base	$4,620,000
Idaho	Mountain Home Air Force Base	$10,125,000
Illinois	Scott Air Force Base	$3,830,000
Kansas	McConnell Air Force Base	$2,100,000
Louisiana	Barksdale Air Force Base	$20,464,000
Massachusetts	Hanscom Air Force Base	$17,851,000
Mississippi	Columbus Air Force Base	$4,828,000
	Keesler Air Force Base	$15,040,000
Missouri	Whiteman Air Force Base	$12,050,000
Montana	Malmstrom Air Force Base	$11,179,000
Nebraska	Offut Air Force Base	$9,765,000
New Jersey	McGuire Air Force Base	$9,772,000
New Mexico	Cannon Air Force Base	$4,934,000
	Holloman Air Force Base	$18,380,000
	Kirtland Air Force Base	$7,352,000
North Carolina	Pope Air Force Base	$24,570,000
Ohio	Wright-Patterson Air Force Base	$22,600,000
Oklahoma	Altus Air Force Base	$2,939,000
	Tinker Air Force Base	$18,180,000
	Vance Air Force Base	$10,504,000
South Carolina	Charleston Air Force Base	$22,238,000
	Shaw Air Force Base	$2,850,000
South Dakota	Ellsworth Air Force Base	$10,290,000
Texas	Dyess Air Force Base	$24,988,000
	Lackland Air Force Base	$10,330,000
Utah	Hill Air Force Base	$28,050,000
Virginia	Langley Air Force Base	$7,470,000
Washington	Fairchild Air Force Base	$2,046,000
	McChord Air Force Base	$10,250,000
Wyoming	F.E. Warren Air Force Base	$36,114,000
	Total:	$649,237,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or location	Amount
Diego Garcia	Diego Garcia	$5,475,000
Italy	Aviano Air Base	$8,000,000
Korea	Kunsan Air Base	$6,400,000
	Osan Air Base	$21,948,000
Spain	Naval Station Rota	$5,052,000
Turkey	Incirlik Air Base	$1,000,000
	Total:	$47,875,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition) at the installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State	Installation or location	Purpose	Amount
District of Columbia	Bolling Air Force Base	136 Units	$17,137,000
Idaho	Mountain Home Air Force Base	119 Units	$22,694,000
North Dakota	Cavalier Air Force Station	2 Units	$443,000
	Minot Air Force Base	134 Units	$19,097,000
		Total:	$59,371,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $13,730,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(5)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $174,046,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Subject to subsection (c), funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2000, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $1,851,909,000 as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $649,237,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $47,875,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $9,850,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $71,529,000.

(5) For military housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $247,147,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $826,271,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (5) of subsection (a) is the sum of the amounts authorized to be appropriated by such paragraphs, reduced by $33,846,000, which represents $12,231,000 for savings in the foreign currency account and $21,615,000 from prior year unobligated funds.

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2403(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation or location	Amount
Defense Education Activity	Camp LeJeune, North Carolina	$5,914,000
	Laurel Bay, South Carolina	$804,000
Defense Logistics Agency	Defense Distribution Depot Susquehanna, New Cumberland, Pennsylvania	$17,700,000
	Defense Fuel Support Point, Cherry Point, North Carolina	$5,700,000
	Defense Fuel Support Point, MacDill Air Force Base, Florida	$16,956,000
	Defense Fuel Support Point, McConnell Air Force Base, Kansas	$11,000,000
	Defense Fuel Support Point, Naval Air Station, Fallon, Nevada	$5,000,000
	Defense Fuel Support Point, North Island, California	$5,900,000
	Defense Fuel Support Point, Oceana Naval Air Station, Virginia	$2,000,000
	Defense Fuel Support Point, Patuxent River, Maryland	$8,300,000
	Defense Fuel Support Point, Twentynine Palms, California	$2,200,000
	Defense Supply Center, Richmond, Virginia	$4,500,000
National Security Agency	Fort Meade, Maryland	$4,228,000
Special Operations Command	Classified Location	$2,303,000
	Eglin Auxiliary Field 9, Florida	$23,204,000
	Fleet Combat Training Center, Dam Neck, Virginia	$5,500,000
	Fort Bragg, North Carolina	$8,600,000
	Fort Campbell, Kentucky	$16,300,000
	Naval Air Station, North Island, California	$1,350,000
	Naval Air Station, Oceana, Virginia	$3,400,000
	Naval Amphibious Base, Coronado, California	$4,300,000
	Naval Amphibious Base, Little Creek, Virginia	$5,400,000
Tri-Care Management Activity	Edwards Air Force Base, California	$17,900,000
	Marine Corps Base, Camp Pendleton, California	$14,150,000
	Eglin Air Force Base, Florida	$37,600,000
	Fort Drum, New York	$1,400,000
	Patrick Air Force Base, Florida	$2,700,000
	Tyndall Air Force Base, Florida	$7,700,000
	Total:	$242,009,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2403(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or location	Amount
Defense Education Activity	Hanau, Germany	$1,026,000
	Hohenfels, Germany	$13,774,000
	Royal Air Force, Feltwell, United Kingdom	$1,287,000
	Royal Air Force, Lakenheath, United Kingdom	$3,086,000
	Schweinfurt, Germany	$1,444,000
	Sigonella, Italy	$971,000
	Wuerzburg, Germany	$1,798,000
Defense Finance and Accounting Service	Kleber Kaserne, Germany	$7,500,000
Defense Logistics Agency	Defense Fuel Support Point, Andersen Air Force Base, Guam	$36,000,000
	Defense Fuel Support Point, Marine Corps Air Station, Iwakuni, Japan	$22,400,000
	Defense Fuel Support Point, Misawa Air Base, Japan	$26,400,000
	Defense Fuel Support Point, Royal Air Force, Mildenhall, United Kingdom	$10,000,000
	Defense Fuel Support Point, Sigonella, Italy	$16,300,000
Defense Threat Reduction Agency	Darmstadt, Germany	$2,450,000
Special Operations Command	Roosevelt Roads, Puerto Rico	$1,241,000
	Taegu, Korea	$1,450,000
Tri-Care Management Agency	Kitzingen, Germany	$1,400,000
	Naval Support Activity, Naples, Italy	$43,850,000
	Wiesbaden Air Base, Germany	$7,187,000
	Total:	$199,564,000

(c) UNSPECIFIED WORLDWIDE.—Using amounts appropriated pursuant to the authorization of appropriations in section 2403(a)(3), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations, and in the amounts, set forth in the following table:

Defense Agencies: Unspecified Worldwide

Location	Installation	Amount
Unspecified Worldwide	Unspecified Worldwide	$451,135,000

SEC. 2402. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2403(a)(7), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code, in the amount of $16,785,000.

SEC. 2403. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Subject to subsection (c), funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2000, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of $1,912,703,000 as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $242,009,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $199,564,000.

(3) For the military construction projects at unspecified worldwide locations authorized by section 2401(c), $85,095,000.

(4) For unspecified minor construction projects under section 2805 of title 10, United States Code, $17,390,000.

(5) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $10,000,000.

(6) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $78,605,000.

(7) For energy conservation projects authorized by section 2404 of this Act, $16,785,000.

(8) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $1,174,369,000.

(9) For military family housing functions, for support of military housing (including functions described in section 2833 of title 10, United States Code), $44,886,000 of which not more than $38,478,000 may be obligated or expended for the leasing of military family housing units worldwide.

(10) For construction of a replacement hospital at Fort Wainwright, Alaska, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 836), $44,000,000.

(b) LIMITATION OF TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variation authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a); and

(2) $366,040,000 (the balance of the amount authorized under section 2401(c) for construction of National Missile Defense Initial Deployment Facilities, Unspecified Worldwide locations).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (6) of subsection (a) is the sum of the amounts authorized to be appropriated by such paragraphs, reduced by $7,155,000 which represents savings in the foreign currency account.

SEC. 2404. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 1990 PROJECT.

(a) INCREASE.—Section 2401(a) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189), as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2197), is amended in the item relating to Portsmouth Naval Hospital, Virginia, by striking ''$351,354,000'' and inserting ''$359,854,000''.

(b) CONFORMING AMENDMENT.—Section 2405(b)(2) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991, as amended by section 2407 of the Military Construction Authorization Act for Fiscal Year 1999, is amended by striking ''$342,854,000'' and inserting ''$351,354,000''.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2000, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment program authorized by section 2501, in the amount of $190,000,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

There are authorized to be appropriated for fiscal years beginning after September 30, 2000, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefore, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $181,629,000; and

(B) for the Army Reserve, $92,497,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $38,091,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $161,806,000; and

(B) for the Air Force Reserve, $32,673,000.

SEC. 2602. AUTHORIZATION FOR CONTRIBUTION TO CONSTRUCTION OF AIRPORT TOWER, CHEYENNE AIRPORT, CHEYENNE, WYOMING.

(a) INCREASE IN AMOUNT AUTHORIZED FOR AIR NATIONAL GUARD.—The amount authorized to be appropriated by section 2601(3)(A) is hereby increased by $1,450,000.

(b) OFFSET.—The amounts authorized to be appropriated by section 2403(a), and by paragraph (2) of that section, are each hereby reduced by $1,450,000. The amount of the reduction shall be allocated to the project authorized in section 2401(b) for the Tri-Care Management Agency for the Naval Support Activity, Naples, Italy.

(c) AVAILABILITY OF FUNDS FOR CONTRIBUTION TO TOWER.—Of the amounts authorized to be appropriated by section 2601(3)(A), as increased by subsection (a), $1,450,000 shall be available to the Secretary of the Air Force for a contribution to the costs of construction of a new airport tower at Cheyenne Airport, Cheyenne, Wyoming.

(d) AUTHORITY TO MAKE CONTRIBUTION.—The Secretary may, using funds available under subsection (c), make a contribution, in an amount considered appropriate by the Secretary and consistent with applicable agreements, to the costs of construction of a new airport tower at Cheyenne Airport, Cheyenne, Wyoming.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefore) shall expire on the later of—

(1) October 1, 2003; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2004.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefore) for which appropriated funds have been obligated before the later of—

(1) October 1, 2003; or

(2) the date of the enactment of an Act authorizing funds for fiscal year 2004 for military construction projects, land acquisition, family housing projects and facilities, or contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1998 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 1984), authorizations set forth in the tables in subsection (b), as provided in section 2102, 2202, or 2302 of that Act, shall remain in effect until October 1, 2001, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2002, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Army: Extension of 1998 Project Authorizations

State	Installation or location	Project	Amount
Maryland	Fort Meade	Family Housing Construction (56 units).	$7,900,000
Texas	Fort Hood	Family Housing Construction (130 units).	$18,800,000

Navy: Extension of 1998 Project Authorizations

State	Installation or location	Project	Amount
California	Naval Complex, San Diego	Replacement Family Housing Construction (94 units).	$13,500,000
California	Marine Corps Air Station, Miramar	Family Housing Construction (166 units).	$28,881,000
California	Marine Corps Air-Ground Combat Center, Twentynine Palms	Replacement Family Housing Construction (132 units).	$23,891,000
Louisiana	Naval Complex, New Orleans	Replacement Family Housing Construction (100 units).	$11,930,000
Texas	Naval Complex, Kingsville and Corpus Christi	Family Housing Construction (212 units).	$22,250,000
Washington	Naval Air Station, Whidbey Island	Replacement Family Housing Construction (102 units).	$16,000,000

Air Force: Extension of 1998 Project Authorizations

State	Installation or location	Project	Amount
Georgia	Robins Air Force Base	Replace Family Housing (60 units).	$6,800,000
Idaho	Mountain Home Air Force Base	Replace Family Housing (60 units).	$11,032,000
New Mexico	Kirtland Air Force Base	Replace Family Housing (180 units).	$20,900,000
Texas	Dyess Air Force Base	Construct Family Housing (70 units).	$10,503,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1997 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2782), authorizations set forth in the tables in subsection (b), as provided in section 2201, 2202, or 2601 of that Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 842), shall remain in effect until October 1, 2001, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2002, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Navy: Extension of 1997 Project Authorizations

State	Installation or location	Project	Amount
Florida	Navy Station, Mayport	Family Housing Construction (100 units).	$10,000,000
North Carolina	Marine Corps Base, Camp Lejuene	Family Housing Construction (94 units).	$10,110,000
South Carolina	Marine Corps Air Station, Beaufort	Family Housing Construction (140 units).	$14,000,000
Texas	Naval Complex, Corpus Christi	Family Housing Replacement (104 units).	$11,675,000
	Naval Air Station, Kingsville	Family Housing Replacement (48 units).	$7,550,000
Virginia	Marine Corps Combat Development Command, Quantico	Infrastructure	$8,900,000
Washington	Naval Station, Everett	Family Housing Construction (100 units).	$15,015,000

Army National Guard: Extension of 1997 Project Authorization

State	Installation or location	Project	Amount
Mississippi	Camp Shelby	Multipurpose Range Complex (Phase II).	$5,000,000

SEC. 2704. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI shall take effect on the later of—

(1) October 1, 2000; or

(2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. JOINT USE MILITARY CONSTRUCTION PROJECTS.

(a) SENSE OF CONGRESS ON JOINT USE PROJECTS.—It is the sense of Congress that in preparing the budget for a fiscal year for submission to Congress under section 1105 of title 31, United States Code, the Secretary of Defense should—

(1) seek to identify military construction projects that are suitable as joint use military construction projects;

(2) specify in the budget for the fiscal year the military construction projects that are identified under paragraph (1); and

(3) give priority in the budget for the fiscal year to the military construction projects specified under paragraph (2).

(b) ANNUAL EVALUATION AND REPORT ON JOINT USE PROJECTS.—(1) Subchapter I of chapter 169 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2815. Joint use military construction projects: evaluation; annual report

''(a) ANNUAL EVALUATION.—The Secretary of Defense shall include with the budget for each fiscal year under section 1105 of title 31, a certification by each Secretary concerned that in evaluating military construction projects for inclusion in the budget for such fiscal year, such Secretary evaluated the feasibility of carrying out such projects as joint use military construction projects.

''(b) ANNUAL REPORT.—(1) Not later than September 30 each year, the Secretary of Defense shall submit to the appropriate committees of Congress a report on joint use military construction projects.

''(2) Each report under paragraph (1) shall include, for the one-year period ending on the date of the report, the following:

''(A) The military construction requirements that were evaluated for their feasibility to be carried out through joint use military construction projects, with each such requirement set forth by armed force, component (whether active or reserve component), and location.

''(B) An estimate of the fiscal year in which each requirement set forth under subparagraph (A) is likely to be met, without regard to the applicability of any future-years defense program, and an assessment of the extent to which such requirement could be met more rapidly through a joint use military construction project.

''(C) A list of the military construction projects determined to be feasible as joint use military construction projects, including—

''(i) the number of military personnel and civilian personnel to be served by each such project; and

''(ii) an estimate of the costs avoidable by carrying out each such project as a joint use military project rather than as an independent military construction project.

''(c) JOINT USE MILITARY CONSTRUCTION PROJECT DEFINED.—In this section, the term 'joint use military construction project' means a military construction project for a facility intended to be used by—

''(1) both the active and a reserve component of a single armed force; or

''(2) two or more components (whether active or reserve components) of the armed forces.''.

(2) The table of sections at the beginning of that subchapter is amended by adding at the end the following new item:

''2815. Joint use military construction projects: evaluation; annual report.''.

SEC. 2802. EXCLUSION OF CERTAIN COSTS FROM DETERMINATION OF APPLICABILITY OF LIMITATION ON USE OF FUNDS FOR IMPROVEMENT OF FAMILY HOUSING.

Section 2825(b) of title 10, United States Code, is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following new paragraph (3):

''(3) In determining the applicability of the limitation contained in paragraph (1), the Secretary concerned shall exclude from the cost of the improvement of the unit or units concerned the following:

''(A) The cost of the installation, maintenance, and repair of communications, security, or antiterrorism equipment required by an occupant of the unit or units to perform duties assigned as a member of the armed forces.

''(B) The cost of repairing or replacing the exterior of the unit or units if such repair or replacement is necessary to meet applicable standards for historical preservation.''.

SEC. 2803. REPLACEMENT OF LIMITATIONS ON SPACE BY PAY GRADE OF MILITARY FAMILY HOUSING WITH REQUIREMENT FOR LOCAL COMPARABILITY OF MILITARY FAMILY HOUSING.

(a) IN GENERAL.—(1) Section 2826 of title 10, United States Code, is amended to read as follows:

"§ 2826. Military family housing: local comparability of rooms patterns and floor areas

''(a) LOCAL COMPARABILITY.—In the construction, acquisition, and improvement of military family housing, the Secretary concerned shall ensure that the room patterns and floor areas of military family housing in a particular locality (as designated by the Secretary concerned for purposes of this section) are similar to room patterns and floor areas of similar housing in the private sector in that locality.

''(b) REQUESTS FOR AUTHORITY FOR MILITARY FAMILY HOUSING.—(1) In submitting to Congress a request for authority to carry out the construction, acquisition, or improvement of military family housing, the Secretary concerned shall include in the request information on the net floor area of each unit of military family housing to be constructed, acquired, or improved under the authority.

''(2) In this subsection, the term 'net floor area', in the case of a military family housing unit, means the total number of square feet of the floor space inside the exterior walls of the unit, excluding the floor area of an unfinished basement, an unfinished attic, a utility space, a garage, a carport, an open or insect-screened porch, a stairwell, and any space used for a solar-energy system.''.

(2) The table of sections at the beginning of subchapter II of chapter 169 of that title is amended by striking the item relating to section 2826 and inserting the following new item:

''2826. Military family housing: local comparability of rooms patterns and floor areas.''.

(b) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by subsection (a) shall take effect on October 1, 2000.

(2) Subsection (a) of section 2826, of title 10, United States Code (as added by subsection (a) of this section), shall apply with respect to the construction, acquisition, or improvement of military family housing under authority for the construction, acquisition, or improvement of such housing that takes effect on or after October 1, 2000.

SEC. 2804. MODIFICATION OF LEASE AUTHORITY FOR HIGH-COST MILITARY FAMILY HOUSING.

(a) REPEAL OF SINGLE LEASE MAXIMUM FOR UNITED STATES SOUTHERN COMMAND.—Paragraph (4) of section 2828(b) of title 10, United States Code, is amended—

(1) by inserting ''(A)'' after ''(4)'';

(2) by striking the second sentence; and

(3) by adding at the end the following new subparagraph:

''(B) The amount of all leases under this paragraph may not exceed $280,000 per year, as adjusted from time to time under paragraph (6).''.

(b) FIVE-YEAR LIMITATION ON TERM OF LEASES FOR UNITED STATES SOUTHERN COMMAND.—That paragraph is further amended by adding at the end the following new subparagraph:

''(C) The term of any lease under this paragraph may not exceed 5 years.''.

(c) ANNUAL ADJUSTMENT OF MAXIMUM LEASE AMOUNTS.—That section is further amended by striking paragraph (5) and inserting the following new paragraphs:

''(5) At the beginning of each fiscal year, the Secretary concerned shall adjust the maximum lease amount provided for leases under paragraphs (2) and (3) for the previous fiscal year by the percentage (if any) by which the national average monthly cost of housing (as calculated for purposes of determining rates of basic allowance for housing under section 403 of title 37) for the preceding fiscal year exceeds the national average monthly cost of housing (as so calculated) for the fiscal year before such preceding fiscal year.

''(6) At the beginning of each fiscal year, the Secretary of the Army shall adjust the maximum aggregate amount for leases under paragraph (4) for the previous fiscal year by the percentage (if any) by which the annual average cost of housing for the Miami Military Housing Area (as calculated for purposes of determining rates of basic allowance for housing under section 403 of title 37) for the preceding fiscal year exceeds the annual average cost of housing for the Miami Military Housing Area (as so calculated) for the fiscal year before such preceding fiscal year.''.

(d) CONFORMING AMENDMENTS.—That section is further amended—

(1) in paragraph (2), by inserting after ''per year'' the following: '', as adjusted from time to under paragraph (5)''; and

(2) in paragraph (3), by striking ''$12,000 per unit per year but does not exceed $14,000 per unit per year'' and inserting ''the maximum amount per unit per year in effect under paragraph (2) but does not exceed $14,000 per unit per year, as adjusted from time to time under paragraph (5)''.

SEC. 2805. APPLICABILITY OF COMPETITION POLICY TO ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING.

(a) APPLICABILITY.—(1) Subchapter IV of chapter 169 of title 10, United States Code, is amended by inserting after section 2872 the following:

"§ 2872a. Competition requirements

''(a) CONTRACTS.—The Secretary concerned shall comply with section 2304 of this title when entering into any contract in furtherance of the exercise of any authority or combination of authorities under this subchapter for a purpose specified in section 2872 of this title.

''(b) OTHER FORMS OF AGREEMENTS.—(1) The Secretary concerned shall use competitive procedures to enter into any agreement other than a contract in furtherance of the exercise of any authority or combination of authorities under this subchapter for a purpose specified in section 2872 of this title.

''(2) The Secretary concerned may waive the applicability of paragraph (1) to an agreement only if the Secretary—

''(A) determines that the use of competitive procedures for entering into the agreement would be inconsistent with the public interest; and

''(B) submits to Congress a written notification of the determination not less than 30 days before entering into the agreement.''.

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 2872 the following:

''2872a. Competition requirements.''.

(b) EFFECTIVE DATE.—Section 2872a of title 10, United States Code (as added by subsection (a)), shall take effect on October 1, 2000, and shall apply with respect to contracts and agreements referred to in that section that are entered into on or after that date.

SEC. 2806. PROVISION OF UTILITIES AND SERVICES UNDER ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING.

(a) AUTHORITY TO FURNISH ON REIMBURSABLE BASIS.—Subchapter IV of chapter 169 of title 10, United States Code, as amended by section 2805, is further amended by inserting after section 2872a the following new section:

"§ 2872b. Utilities and services

''(a) AUTHORITY TO FURNISH.—The Secretary concerned may furnish utilities and services referred to in subsection (b) in connection with any military housing acquired or constructed pursuant to the exercise of any authority or combination of authorities under this subchapter if the military housing is located on a military installation.

''(b) COVERED UTILITIES AND SERVICES.—The utilities and services that may be furnished under subsection (a) are the following:

''(1) Electric power.

''(2) Steam.

''(3) Compressed air.

''(4) Water.

''(5) Sewage and garbage disposal.

''(6) Natural, manufactured, or mixed gas.

''(7) Ice.

''(8) Mechanical refrigeration.

''(9) Telecommunications service.

''(c) REIMBURSEMENT.—(1) The Secretary concerned shall be reimbursed for any utilities or services furnished under subsection (a).

''(2) The amount of any cash payment received under paragraph (1) shall be credited to the appropriation or working capital account from which the cost of furnishing the utilities or services concerned was paid. Amounts so credited to an appropriation or account shall be merged with funds in such appropriation or account, and shall be available to the same extent, and subject to the same terms and conditions, as such funds.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter, as so amended, is further amended by inserting after the item relating to section 2872a the following new item:

''2872b. Utilities and services.''.

SEC. 2807. EXTENSION OF ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING.

Section 2885 of title 10, United States Code, is amended by striking ''February 10, 2001'' and inserting ''February 10, 2004''.

SEC. 2808. INCLUSION OF READINESS CENTER IN DEFINITION OF ARMORY FOR PURPOSES OF CONSTRUCTION OF RESERVE COMPONENT FACILITIES.

(a) INCLUSION.—Section 18232(3) of title 10, United States Code, is amended—

(1) in the first sentence, by striking ''The term 'armory' means'' and inserting ''The terms 'armory' and 'readiness center' mean''; and

(2) in the second sentence, by striking ''It includes'' and inserting ''Such terms include''.

(b) CONFORMING AMENDMENTS.—(1) Section 18232(2)(B) of such title is amended by inserting '', readiness center,'' after ''armory''.

(2) Section 18236(b) of such title is amended in the matter preceding paragraph (1) by inserting ''or readiness center'' after ''an armory''.

Subtitle B—Real Property and Facilities Administration

SEC. 2811. INCREASE IN THRESHOLD FOR REPORTS TO CONGRESS ON REAL PROPERTY TRANSACTIONS.

Section 2662 of title 10, United States Code, is amended by striking ''$200,000'' each place it appears and inserting ''$500,000''.

SEC. 2812. ENHANCEMENTS OF MILITARY LEASE AUTHORITY.

(a) PROPERTY AVAILABLE FOR LEASE.—Subsection (a) of section 2667 of title 10, United States Code, is amended—

(1) by inserting ''and'' at the end of paragraph (1);

(2) by striking paragraph (2); and

(3) by redesignating paragraph (3) as paragraph (2).

(b) IN KIND CONSIDERATION.—That section is further amended—

(1) in subsection (b)(5)—

(A) by striking ''improvement, maintenance, protection, repair, or restoration,'' and inserting ''alteration, repair, or improvement,''; and

(B) by striking '', or of the entire unit or installation where a substantial part of it is leased,'';

(2) by transferring subsection (c) to the end of the section and redesignating such subsection, as so transferred, as subsection (i);

(3) by inserting after subsection (b) the following new subsection (c):

''(c)(1) In addition to any in kind consideration accepted under subsection (b)(5), in kind consideration accepted with respect to a lease under subsection (b) may include the following:

''(A) Maintenance, protection, alteration, repair, improvement, or restoration (including environmental restoration) of property or facilities under the control of the Secretary concerned.

''(B) Construction of new facilities for the Secretary concerned.

''(C) Provision of facilities for use by the Secretary concerned.

''(D) Facilities operation support for the Secretary concerned.

''(E) Provision of such other services relating to activities that will occur on the leased property as the Secretary concerned considers appropriate.

''(2) In kind consideration under paragraph (1) may be accepted at any property or facilities under the control of the Secretary concerned that are selected for that purpose by the Secretary concerned.

''(3) Sections 2662 and 2802 of this title shall not apply to any new facilities whose construction is accepted as in kind consideration under this subsection.

''(4) In the case of a lease for which all or part of the consideration proposed to be accepted by the Secretary concerned under this subsection is the construction of facilities with a value in excess of $500,000, the Secretary concerned may not enter into the lease until 30 days after the date on which a report on the facts of the lease is submitted to the congressional defense committees.''; and

(4) in subsection (f)—

(A) by striking paragraph (4); and

(B) by redesignating paragraph (5) as paragraph (4).

(c) USE OF MONEY RENTALS.—Subsection (d) of that section is amended—

(1) in paragraph (1), by striking subparagraph (B) and inserting the following new subparagraphs:

''(B) Subject to subparagraphs (C) and (D), the sums deposited in the special account of a military department pursuant to subparagraph (A) shall be available to the military department for the following:

''(i) Maintenance, protection, alteration, repair, improvement, or restoration (including environmental restoration) of property or facilities.

''(ii) Construction or acquisition of new facilities.

''(iii) Lease of facilities.

''(iv) Facilities operation support.

''(C) At least 50 percent of the sums deposited in the special account of a military department under subparagraph (A) by reason of a lease shall be available for activities described in subparagraph (B) only at the military installation where the leased property is located.

''(D) The Secretary concerned may not construct or acquire under subparagraph (B)(ii) facilities with a value in excess of $500,000 until 30 days after the date on which a report on the facts of the construction or acquisition of such facilities is submitted to the congressional defense committees.''; and

(2) in paragraph (3)—

(A) in the matter preceding subparagraph (A), by striking ''As part'' and all that follows through ''Secretary of Defense'' and inserting ''Not later than March 15 each year, the Secretary of Defense shall submit to the congressional defense committees a report which''; and

(B) in subparagraph (A), by striking ''request'' and inserting ''report''.

(d) INDEMNIFICATION FOR ENVIRONMENTAL CONTAMINATION.—That section is further amended by striking subsection (h) and inserting the following new subsection (h):

''(h)(1) Subject to paragraph (2), the Secretary concerned may enter into an agreement to hold harmless, defend, and indemnify in full any person or entity to whom the Secretary concerned leases real property under subsection (a) from and against any suit, claim, demand or action, liability, judgment, cost, or other fee arising out of—

''(A) any claim for personal injury, property damage (including death, illness, or loss of or damage to property or economic loss), that results from, or is in any manner predicated upon, the release or threatened release of any hazardous substance, pollutant or contaminant, petroleum or petroleum derivative, or unexploded ordnance as a result of Department of Defense activities on the military installation at which the leased property is located; and

''(B) any legally binding obligation to respond pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) or any other Federal law, or any State law, that results from, or is in any manner predicated upon, the release or threatened release of any hazardous substance, pollutant or contaminant, petroleum or petroleum derivative, or unexploded ordnance as a result of Department of Defense activities on the military installation at which the leased property is located.

''(2) Any agreement entered into pursuant to paragraph (1) shall provide that—

''(A) if, at the time of a claim for indemnification under the agreement, less than 50 percent of the release or threatened release of hazardous substances, pollutants or contaminants, petroleum or petroleum derivatives, or unexploded ordnance giving rise to the suit, claim, demand or action, liability, judgment, cost, or other fee for which indemnification is demanded is a result of Department of Defense activities, the indemnification authorized by paragraph (1) shall not apply; and

''(B) if, at the time of a claim for indemnification under the agreement, 50 percent or more of the release or threatened release of hazardous substances, pollutants or contaminants, petroleum or petroleum derivatives, or unexploded ordnance giving rise to the suit, claim, demand or action, liability, judgment, cost, or other fee for which indemnification is demanded is a result of Department of Defense activities, the indemnification authorized by paragraph (1) shall be reduced to the extent of the contribution to any such release or threatened release of any person or entity other than the Department of Defense.

''(3) No indemnification may be afforded under an agreement under this subsection unless the person or entity making a claim for indemnification—

''(A) notifies the Secretary concerned in writing within two months of the filing of any suit, claim, demand, or action that reasonably could be expected to give rise to a liability, judgment, cost, or other fee to which the agreement applies and at least one month before settlement or other resolution of such suit, claim, demand, or action;

''(B) furnishes to the Secretary concerned copies of pertinent papers the person or entity receives;

''(C) furnishes evidence or proof of any suit, claim, demand or action, liability, judgment, cost, or other fee covered by this subsection;

''(D) provides, upon request of the Secretary concerned, access to the records and personnel of the person or entity for purposes of defending or settling any such suit, claim, demand, or action; and

''(E) if the Secretary concerned chooses not to defend or settle any such suit, claim, demand, or action, the person or entity making a claim for indemnification notifies the Secretary concerned

in writing within one month of any judgment, settlement, or other resolution of the suit, claim, demand, or action.

''(4)(A) In any case in which the Secretary concerned determines that the military department may be required to make indemnification payments to a person or entity under this subsection, the Secretary concerned may settle or defend, on behalf of the person or entity, the suit, claim, demand, or action that could give rise to such requirement.

''(B) In any case described in subparagraph (A), if the person or entity to whom the military department may be required to make indemnification payments does not allow the Secretary concerned to settle or defend the claim, the person or entity may not be afforded indemnification with respect to the claim under this subsection.

''(5) Nothing in this subsection shall be construed as affecting or modifying in any way the applicability of the provisions of section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)).''.

(e) DEFINITIONS.—That section is further amended by adding at the end the following new subsection:

''(j) In this section:

''(1) The term 'congressional defense committees' means:

''(A) The Committees on Armed Services and Appropriations of the Senate.

''(B) The Committees on Armed Services and Appropriations of the House of Representatives.

''(2) The term 'base closure law' means the following:

''(A) Section 2687 of this title.

''(B) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

''(C) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

''(3) The terms 'hazardous substance', 'release', and 'pollutant or contaminant' have the meanings given such terms in paragraphs (14), (22), and (33) of section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, respectively (42 U.S.C. 9601 (14), (22), and (33)).

''(4) The term 'military installation' has the meaning given such term in section 2687(e)(1) of this title.''.

(f) TREATMENT OF CERTAIN RECEIPTS.—(1) From the money rentals resulting from leases entered into under section 2667 of title 10, United States Code, an amount equal to $20,100,000 shall be deposited in the Treasury as miscellaneous receipts in each of fiscal years 2001 through 2005, inclusive.

(2) The amount of the deposit under paragraph (1) in any fiscal year covered by that paragraph may be reduced only to the extent that other receipts of the Department of Defense for such fiscal year in an amount equal to such reduction are deposited in the Treasury as miscellaneous receipts in such fiscal year.

SEC. 2813. EXPANSION OF PROCEDURES FOR SELECTION OF CONVEYEES UNDER AUTHORITY TO CONVEY UTILITY SYSTEMS.

Section 2688(b) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' before ''If more than one''; and

(2) by adding at the end the following new paragraph:

''(2) Notwithstanding paragraph (1), the Secretary concerned may use procedures other than competitive procedures for the selection of a conveyee of a utility under subsection (a) in accordance with the provisions of subsections (c) through (f) of section 2304 this title.''.

Subtitle C—Defense Base Closure and Realignment

SEC. 2821. SCOPE OF AGREEMENTS TO TRANSFER PROPERTY TO REDEVELOPMENT AUTHORITIES WITHOUT CONSIDERATION UNDER THE BASE CLOSURE LAWS.

(a) 1990 LAW.—Section 2905(b)(4)(B)(i) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by striking ''the transfer'' and inserting ''the initial transfer of property''.

(b) 1988 LAW.—Section 204(b)(4)(B)(i) of the Defense Authorization Amendments and Base Closure and Realignment Act (title II of Public Law 100–526; 10 U.S.C. 2687 note) is amended by striking ''the transfer'' and inserting ''the initial transfer of property''.

Subtitle D—Land Conveyances

Part I—Army Conveyances

SEC. 2831. LAND CONVEYANCE, CHARLES MELVIN PRICE SUPPORT CENTER, ILLINOIS.

(a) CONVEYANCE AUTHORIZED.—(1) The Secretary of the Army may convey to the Tri-City Regional Port District of Granite City, Illinois (in this section referred to as the ''Port District''), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 752 acres and known as the Charles Melvin Price Support Center, for the purpose of permitting the Port District to use the parcel for development of a port facility and for other public purposes.

(2) The property to be conveyed under paragraph (1) shall include 158 units of military family housing at the Charles Melvin Price Support Center for the purpose of permitting the Port District to use the housing to provide affordable housing, but only if the Port District agrees to accord first priority to members of the Armed Forces in the lease of the housing.

(3) The Secretary of the Army may include as part of the conveyance under paragraph (1) such personal property of the Army at the Charles Melvin Price Support Center that the Secretary of Transportation considers appropriate for the development or operation of the port facility if the Secretary of the Army determines that such property is excess to the needs of the Army.

(b) INTERIM LEASE.—Until such time as the real property described in subsection (a) is conveyed by deed, the Secretary of the Army may lease the property to the Port District.

(c) CONSIDERATION.—(1) The conveyance under subsection (a) shall be made without consideration as a public benefit conveyance for port development if the Secretary of the Army determines that the Port District satisfies the criteria specified in section 203(q) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(q)) and regulations prescribed to implement such section. If the Secretary determines that the Port District fails to qualify for a public benefit conveyance, but still desires to acquire the property, the Port District shall pay to the United States an amount equal to the fair market value of the property to be conveyed. The fair market value of the property shall be determined by the Secretary.

(2) The Secretary may accept as consideration for a lease of the property under subsection (b) an amount that is less than fair market value of the property leased if the Secretary determines that the public interest will be served as a result of the lease on that basis.

(d) ARMY RESERVE CONFERENCE CENTER.—(1) Notwithstanding the total acreage of the parcel authorized for conveyance under subsection (a), the Secretary of the Army may retain a portion of the parcel, not to exceed 50 acres, for the development of an Army Reserve Conference Center.

(2) In selecting acreage for retention under this subsection, the Secretary shall ensure that the location and use of the retained acreage does not interfere with the Port District's use of the remainder of the parcel for development of a port facility and for other public purposes.

(3) At such time as the Secretary determines that the acreage retained under this subsection is no longer needed for an Army Reserve Conference Center, the Secretary shall convey the acreage to the Port District in accordance with subsection (c).

(e) FEDERAL LEASE OF FACILITIES.—(1) As a condition for the conveyance under subsection (a), the Secretary of the Army may require that the Port District lease to the Department of Defense or any other Federal agency facilities for use by the agency on the property being conveyed. Any lease under this subsection shall be made under terms and conditions satisfactory to the Secretary and the Port District.

(2) The agency leasing a facility under this subsection shall provide for the maintenance of the facility or pay the Port District to maintain the facility. Maintenance of the leased facilities performed by the Port District shall be to the reasonable satisfaction of the United States, or as required by all applicable Federal, State, and local laws and ordinances.

(3) At the end of a lease under this subsection, the facility covered by the lease shall revert to the Port District.

(f) FLOOD CONTROL EASEMENT.—The Port District shall grant to the Secretary of the Army an easement on the property conveyed under subsection (a) for the purpose of permitting the Secretary to implement and maintain flood control projects. The Secretary, acting through the Corps of Engineers, shall be responsible for the maintenance of any flood control project built on the property pursuant to the easement.

(g) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary of the Army and the Port District.

(h) ADDITIONAL TERMS.—The Secretary of the Army may require such additional terms and conditions in connection with the conveyance as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2832. LAND CONVEYANCE, LIEUTENANT GENERAL MALCOLM HAY ARMY RESERVE CENTER, PITTSBURGH, PENNSYLVANIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the City of Pittsburgh, Pennsylvania (in this section referred to as the ''City''), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 2.68 acres located at 950 Saw Mill Run Boulevard in Pittsburgh, Pennsylvania, and containing the Lieutenant General Malcolm Hay Army Reserve Center.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the City shall pay to the United States an amount equal to the fair market value of the property to be conveyed, as determined by the Secretary.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(d) ADDITIONAL TERMS AND CONSIDERATION.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2833. LAND CONVEYANCE, COLONEL HAROLD E. STEELE ARMY RESERVE CENTER AND MAINTENANCE SHOP, PITTSBURGH, PENNSYLVANIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the Ellis School, Pittsburgh, Pennsylvania (in this section referred to as the ''School''), all right, title, and

interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 2 acres located at 6482 Aurelia Street in Pittsburgh, Pennsylvania, and containing the Colonel Harold E. Steele Army Reserve Center and Maintenance Shop.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the School shall pay to the United States an amount equal to the fair market value of the property to be conveyed, as determined by the Secretary.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the School.

(d) ADDITIONAL TERMS AND CONSIDERATION.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2834. LAND CONVEYANCE, FORT LAWTON, WASHINGTON.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the City of Seattle, Washington (in this section referred to as the ''City''), all right, title, and interest of the United States in and to the real property at Fort Lawton, Washington, consisting of Area 500 and Government Way from 36th Avenue to Area 500, for purposes of the inclusion of the property in Discovery Park, Seattle, Washington.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(c) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2835. LAND CONVEYANCE, VANCOUVER BARRACKS, WASHINGTON.

(a) CONVEYANCE OF WEST BARRACKS AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the City of Vancouver, Washington (in this section referred to as the ''City''), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, encompassing 19 structures at Vancouver Barracks, Washington, which are identified by the Army using numbers between 602 and 676, and are known as the west barracks.

(b) PURPOSE.—The purpose of the conveyance authorized by subsection (a) shall be to include the property described in that subsection in the Vancouver National Historic Reserve, Washington.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the City.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance authorized by subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2836. LAND CONVEYANCE, FORT RILEY, KANSAS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the State of Kansas, all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 70 acres at Fort Riley Military Reservation, Fort Riley, Kansas. The preferred site is adjacent to the Fort Riley Military Reservation boundary, along the north side of Huebner Road across from the First Territorial Capitol of Kansas Historical Site Museum.

(b) CONDITIONS OF CONVEYANCE.—The conveyance required by subsection (a) shall be subject to the following conditions:

(1) That the State of Kansas use the property conveyed solely for purposes of establishing and maintaining a State-operated veterans cemetery.

(2) That all costs associated with the conveyance, including the cost of relocating water and electric utilities should the Secretary determine that such relocations are necessary, be borne by the State of Kansas.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary and the Director of the Kansas Commission on Veterans Affairs.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance required by subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2837. LAND CONVEYANCE, ARMY RESERVE CENTER, WINONA, MINNESOTA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Winona State University Foundation of Winona, Minnesota (in this section referred to as the ''Foundation''), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, in Winona, Minnesota, containing an Army Reserve Center for the purpose of permitting the Foundation to use the parcel for educational purposes.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Foundation.

(c) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

Part II—Navy Conveyances

SEC. 2851. MODIFICATION OF LAND CONVEYANCE, MARINE CORPS AIR STATION, EL TORO, CALIFORNIA.

(a) USE OF CONSIDERATION FOR CONVEYANCE AT MCAS, MIRAMAR, CALIFORNIA.—Section 2811(a)(2) of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189; 103 Stat. 1650) is amended by striking ''of additional military family housing units at Marine Corps Air Station, Tustin, California.'' and inserting ''and repair of roads and development of aerial port of embarkation facilities at Marine Corps Air Station, Miramar, California.''.

(b) CONFORMING AMENDMENT.—The section heading of such section is amended by striking ***'', AND CONSTRUCTION OF FAMILY HOUSING AT MARINE CORPS AIR STATION, TUSTIN, CALIFORNIA''.***

SEC. 2852. MODIFICATION OF LAND CONVEYANCE, DEFENSE FUEL SUPPLY POINT, CASCO BAY, MAINE.

Section 2839 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3065) is amended—

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

(2) by inserting after subsection (b) the following new subsection (c):

''(c) REPLACEMENT OF REMOVED ELECTRIC UTILITY SERVICE.—(1) The Secretary of Defense may replace the electric utility service removed during the course of environmental remediation carried out with respect to the property to be conveyed under subsection (a), including the procurement and installation of electrical cables, switch cabinets, and transformers associated with the service.

''(2) As part of the replacement of the electric utility service under paragraph (1), the Secretary of Defense may, in consultation with the Town, improve the electric utility service and install telecommunications service. The Town shall pay any cost associated with the improvement of the electric utility service and the installation of telecommunications service under this paragraph.''.

SEC. 2853. MODIFICATION OF LAND CONVEYANCE AUTHORITY, FORMER NAVAL TRAINING CENTER, BAINBRIDGE, CECIL COUNTY, MARYLAND.

Section 1 of Public Law 99–596 (100 Stat. 3349) is amended—

(1) in subsection (a), by striking ''subsections (b) through (f)'' and inserting ''subsections (b) through (e)'';

(2) by striking subsection (b) and inserting the following new subsection (b):

''(b) CONSIDERATION.—(1) In the event of the transfer of the property under subsection (a) to the State of Maryland, the transfer shall be with consideration or without consideration from the State of Maryland, at the election of the Secretary.

''(2) If the Secretary elects to receive consideration from the State of Maryland under paragraph (1), the Secretary may reduce the amount of consideration to be received from the State of Maryland under that paragraph by an amount equal to the cost, estimated as of the time of the transfer of the property under this section, of the restoration of the historic buildings on the property. The total amount of the reduction of consideration under this paragraph may not exceed $500,000.'';

(3) by striking subsection (d); and

(4) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

SEC. 2854. LAND CONVEYANCE, NAVAL COMPUTER AND TELECOMMUNICATIONS STATION, CUTLER, MAINE.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey, without consideration, to the State of Maine, any political subdivision of the State of Maine, or any tax-supported agency in the State of Maine, all right, title, and interest of the United States in and to a parcel of real property, together with any improvements thereon, consisting of approximately 263 acres located in Washington County, Maine, and known as the Naval Computer and Telecommunications Station (NCTS), Cutler, Maine.

(b) REIMBURSEMENT FOR ENVIRONMENTAL AND OTHER ASSESSMENTS.—(1) The Secretary may require the recipient of the property conveyed under this section to reimburse the Secretary for the costs incurred by the Secretary for any environmental assessments and other studies and analyses carried out by the Secretary with respect to the property to be conveyed under this section before the conveyance of the property under this section.

(2) The amount of any reimbursement required under paragraph (1) shall be determined by the Secretary and may not exceed the cost of the assessments, studies, and analyses for which reimbursement is required under that paragraph.

(3) Amounts paid as reimbursement for costs under this subsection shall be credited to the account from which the costs were paid. Amounts so credited to an account shall be merged with funds in the account, and shall be available for the same purposes and subject to the same limitations as the funds with which merged.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the recipient of the property under this section.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

(e) LEASE OF PROPERTY PENDING CONVEYANCE.—(1) Pending the conveyance by deed of the property authorized to be conveyed by subsection (a), the Secretary may enter into one or more leases of the property.

(2) The Secretary shall deposit any amounts paid under a lease under paragraph (1) in the appropriation or account providing funds for the protection, maintenance, or repair of the property, or for the provision of utility services for the property. Amounts so deposited shall be merged with funds in the appropriation or account in which deposited, and shall be available for the same purposes, and subject to the same conditions and limitations, as the funds with which merged.

SEC. 2855. MODIFICATION OF AUTHORITY FOR OXNARD HARBOR DISTRICT, PORT HUENEME, CALIFORNIA, TO USE CERTAIN NAVY PROPERTY.

(a) ADDITIONAL RESTRICTIONS ON JOINT USE.—Subsection (c) of section 2843 of the Military Construction Authorization Act for Fiscal Year 1995 (division B of Public Law 103–337; 108 Stat. 3067) is amended to read as follows:

''(c) RESTRICTIONS ON USE.—The District's use of the property covered by an agreement under subsection (a) is subject to the following conditions:

''(1) The District shall suspend operations under the agreement upon notification by the commanding officer of the Center that the property is needed to support mission essential naval vessel support requirements or Navy contingency operations, including combat missions, natural disasters, and humanitarian missions.

''(2) The District shall use the property covered by the agreement in a manner consistent with Navy operations at the Center, including cooperating with the Navy for the purpose of assisting the Navy to meet its through-put requirements at the Center for the expeditious movement of military cargo.

''(3) The commanding officer of the Center may require the District to remove any of its personal property at the Center that the commanding officer determines may interfere with military operations at the Center. If the District cannot expeditiously remove the property, the commanding officer may provide for the removal of the property at District expense.''.

(b) CONSIDERATION.—Subsection (d) of such section is amended to read as follows:

''(d) CONSIDERATION.—(1) As consideration for the use of the property covered by an agreement under subsection (a), the District shall pay to the Navy an amount that is mutually agreeable to the parties to the agreement, taking into account the nature and extent of the District's use of the property.

''(2) The Secretary may accept in-kind consideration under paragraph (1), including consideration in the form of—

''(A) the District's maintenance, preservation, improvement, protection, repair, or restoration of all or any portion of the property covered by the agreement;

''(B) the construction of new facilities, the modification of existing facilities, or the replacement of facilities vacated by the Navy on account of the agreement; and

''(C) covering the cost of relocation of the operations of the Navy from the vacated facilities to the replacement facilities.

''(3) All cash consideration received under paragraph (1) shall be deposited in the special account in the Treasury established for the Navy under section 2667(d) of title 10, United States Code. The amounts deposited in the special account pursuant to this paragraph shall be available, as provided in appropriation Acts, for general supervision, administration, overhead expenses, and Center operations and for the maintenance, preservation, improvement, protection, repair, or restoration of property at the Center.''.

(c) CONFORMING AMENDMENTS.—Such section is further amended—

(1) by striking subsection (f); and

(2) by redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

SEC. 2856. REGARDING LAND CONVEYANCE, MARINE CORPS BASE, CAMP LEJEUNE, NORTH CAROLINA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey, to the City of Jacksonville, North Carolina (City), all right, title and interest of the United States in and to real property, including improvements thereon, and currently leased to Norfolk Southern Corporation (NSC), consisting of approximately 50 acres, known as the railroad right-of-way, lying within the City between Highway 24 and Highway 17, at the Marine Corps Base, Camp Lejeune, North Carolina, for the purpose of permitting the City to develop the parcel for initial use as a bike/green way trail.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the City shall reimburse the Secretary such amounts (as determined by the Secretary) equal to the costs incurred by the Secretary in carrying out the provisions of this section, including, but not limited to, planning, design, surveys, environmental assessment and compliance, supervision and inspection of construction, severing and realigning utility systems, and other prudent and necessary actions, prior to the conveyance authorized by subsection (a). Amounts collected under this subsection shall be credited to the account(s) from which the expenses were paid. Amounts so credited shall be merged with funds in such account(s) and shall be available for the same purposes and subject to the same limitations as the funds with which merged.

(c) CONDITION OF CONVEYANCE.—The right of the Secretary of the Navy to retain such easements, rights-of-way, and other interests in the property conveyed and to impose such restrictions on the property conveyed as are necessary to ensure the effective security, maintenance, and operations of the Marine Corps Base, Camp Lejeune, North Carolina, and to protect human health and the environment.

(d) DESCRIPTION OF THE PROPERTY.—The exact acreage and legal description of the real property authorized to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary of the Navy.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Navy may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

Part III—Air Force Conveyances

SEC. 2861. MODIFICATION OF LAND CONVEYANCE, ELLSWORTH AIR FORCE BASE, SOUTH DAKOTA.

(a) MODIFICATION OF CONVEYEE.—Subsection (a) of section 2863 of the Military Construction Authorization Act for Fiscal Year 1998 (division B of Public Law 105–85; 111 Stat. 2010) is amended by striking ''Greater Box Elder Area Economic Development Corporation, Box Elder, South Dakota (in this section referred to as the 'Corporation')'' and inserting ''West River Foundation for Economic and Community Development, Sturgis, South Dakota (in this section referred to as the 'Foundation')''.

(b) CONFORMING AMENDMENTS.—That section is further amended by striking ''Corporation'' each place it appears in subsections (c) and (e) and inserting ''Foundation''.

SEC. 2862. LAND CONVEYANCE, LOS ANGELES AIR FORCE BASE, CALIFORNIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Air Force may convey, by sale or lease upon such terms as the Secretary considers appropriate, all or any portion of the following parcels of real property, including improvements thereon, at Los Angeles Air Force Base, California:

(1) Approximately 42 acres in El Segundo, California, commonly known as Area A.

(2) Approximately 52 acres in El Segundo, California, commonly known as Area B.

(3) Approximately 13 acres in Hawthorne, California, commonly known as the Lawndale Annex.

(4) Approximately 3.7 acres in Sun Valley, California, commonly known as the Armed Forces Radio and Television Service Broadcast Center.

(b) CONSIDERATION.—As consideration for the conveyance of real property under subsection (a), the recipient of the property shall provide for the design and construction on real property acceptable to the Secretary of one or more facilities to consolidate the mission and support functions at Los Angeles Air Force Base. Any such facility must comply with the seismic and safety design standards for Los Angeles County, California, in effect at the time the Secretary takes possession of the facility.

(c) LEASEBACK AUTHORITY.—If the fair market value of a facility to be provided as consideration for the conveyance of real property under subsection (a) exceeds the fair market value of the conveyed property, the Secretary may enter into a lease for the facility for a period not to exceed 10 years. Rental payments under the lease shall be established at the rate necessary to permit the lessor to recover, by the end of the lease term, the difference between the fair market value of a facility and the fair market value of the conveyed property. At the end of the lease, all right, title, and interest in the facility shall vest in the United States.

(d) APPRAISAL OF PROPERTY.—The Secretary shall obtain an appraisal of the fair market value of all property and facilities to be sold, leased, or acquired under this section. An appraisal shall be made by a qualified appraiser familiar with the type of property to be appraised. The Secretary shall consider the appraisals in determining whether a proposed conveyance accomplishes the purpose of this section and is in the interest of the United States. Appraisal reports shall not be released outside of the Federal Government, other than the other party to a conveyance.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of real property to be conveyed under subsection (a) or acquired under subsection (b) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the recipient of the property.

(f) EXEMPTION.—Section 2696 of title 10, United States Code, does not apply to the conveyance authorized by subsection (a).

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with a conveyance under subsection (a) or a lease under subsection (c) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2863. LAND CONVEYANCE, MUKILTEO TANK FARM, EVERETT, WASHINGTON.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Air Force may convey, without consideration, to the Port of Everett, Washington (in this section referred to as the ''Port''), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 22 acres and known as the Mukilteo Tank Farm for the purposes of permitting the Port to use the parcel for the development and operation of a port facility and for other public purposes.

(b) PERSONAL PROPERTY.—The Secretary of the Air Force may include as part of the conveyance authorized by subsection (a) any personal property at the Mukilteo Tank Farm that is excess to the needs of the Air Force if the Secretary of Transportation determines that such

personal property is appropriate for the development or operation of the Mukilteo Tank Farm as a port facility.

(c) INTERIM LEASE.—(1) Until such time as the real property described in subsection (a) is conveyed by deed, the Secretary of the Air Force may lease all or part of the real property to the Port if the Secretary determines that the real property is suitable for lease and the lease of the property under this subsection will not interfere with any environmental remediation activities or schedules under applicable law or agreements.

(2) The determination under paragraph (1) whether the lease of the real property will interfere with environmental remediation activities or schedules referred to in that paragraph shall be based upon an environmental baseline survey conducted in accordance with applicable Air Force regulations and policy.

(3) Except as provided by paragraph (4), as consideration for the lease under this subsection, the Port shall pay the Secretary an amount equal to the fair market of the lease, as determined by the Secretary.

(4) The amount of consideration paid by the Port for the lease under this subsection may be an amount, as determined by the Secretary, less than the fair market value of the lease if the Secretary determines that—

(A) the public interest will be served by an amount of consideration for the lease that is less than the fair market value of the lease; and

(B) payment of an amount equal to the fair market value of the lease is unobtainable.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary of the Air Force and the Port.

(e) ADDITIONAL TERMS.—The Secretary of the Air Force, in consultation with the Secretary of Transportation, may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary of the Air Force considers appropriate to protect the interests of the United States.

Part IV—Defense Agencies Conveyances

SEC. 2871. LAND CONVEYANCE, ARMY AND AIR FORCE EXCHANGE SERVICE PROPERTY, FARMERS BRANCH, TEXAS.

(a) CONVEYANCE AUTHORIZED.—(1) The Secretary of Defense may convey all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, under the jurisdiction of the Army and Air Force Exchange Service that is located at 2727 LBJ Freeway, Farmers Branch, Texas.

(2) The Secretary shall carry out any activities under this section (other than activities under subsections (e) and (g)) through the Army and Air Force Exchange Service.

(b) CONSIDERATION.—As consideration for the conveyance of property under subsection (a) the Secretary shall require a cash payment in an amount equal to the fair market value (as determined by the Secretary) of the property. The cash payment shall be made in a lump-sum payment.

(c) TREATMENT OF PAYMENT.—Any cash payment received under subsection (b) shall be processed in accordance with section 204(c) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(c)).

(d) APPLICATION OF OTHER LAWS.—The conveyance authorized by subsection (a) shall not be subject to the following:

(1) Section 2693 of title 10, United States Code.

(2) The provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.).

(3) Section 501 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411).

(4) Any other provision of law which is inconsistent with a provision of this section.

(e) REPORT.—Not later than one year after the conveyance, if any, of property under this section, the Secretary shall submit to the congressional defense committees a report on the conveyance. The report shall set forth the details of the conveyance.

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the prospective purchaser of the property.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

Part V—Other Conveyances

SEC. 2881. LAND CONVEYANCE, FORMER NATIONAL GROUND INTELLIGENCE CENTER, CHARLOTTESVILLE, VIRGINIA.

(a) CONVEYANCE AUTHORIZED.—The Administrator of General Services may convey, without consideration, to the City of Charlottesville, Virginia (in this section referred to as the ''City''), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, formerly occupied by the National Ground Intelligence Center and known as the Jefferson Street Property.

(b) AUTHORITY TO CONVEY WITHOUT CONSIDERATION.—The conveyance authorized by subsection (a) may be made without consideration if the Administrator determines that the conveyance on that basis would be in the best interests of the United States.

(c) PURPOSE OF CONVEYANCE.—The conveyance authorized by subsection (a) shall be for the purpose of permitting the City to use the parcel, directly or through an agreement with a public or private entity, for economic development purposes.

(d) REVERSIONARY INTEREST.—If, during the 5-year period beginning on the date the Administrator makes the conveyance authorized by subsection (a), the Administrator determines that the conveyed real property is not being used for a purpose specified in subsection (c), all right, title, and interest in and to the property, including any improvements thereon, may upon the election of the Administrator revert to the United States, and upon such reversion the United States shall have the right of immediate entry onto the property.

(e) INAPPLICABILITY OF CERTAIN PROPERTY MANAGEMENT LAWS.—The conveyance authorized by subsection (a) shall not be subject to the following:

(1) Sections 2667 and 2696 of title 10, United States Code.

(2) Section 501 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411).

(3) Sections 202 and 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483, 484).

(f) LIMITATION ON CERTAIN SUBSEQUENT CONVEYANCES.—(1) Subject to paragraph (2), if at any time after the Administrator makes the conveyance authorized by subsection (a) the City conveys any portion of the parcel conveyed under that subsection to a private entity, the City shall pay to the United States an amount equal to the fair market value (as determined by the Administrator) of the portion conveyed at the time of its conveyance under this subsection.

(2) Paragraph (1) applies to a conveyance described in that paragraph only if the Administrator makes the conveyance authorized by subsection (a) without consideration.

(3) The Administrator shall deposit any amounts paid the United States under this subsection into the fund established by section 210(f) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)). Any amounts so deposited shall be available to the Administrator for real property management and related activities as provided for under paragraph (2) of that section.

(g) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Administrator. The cost of the survey shall be borne by the City.

(h) ADDITIONAL TERMS AND CONDITIONS.—The Administrator may require such additional terms and conditions in connection with the conveyance as the Administrator considers appropriate to protect the interests of the United States.

Subtitle E—Other Matters

SEC. 2891. NAMING OF ARMY MISSILE TESTING RANGE AT KWAJALEIN ATOLL AS THE RONALD REAGAN BALLISTIC MISSILE DEFENSE TEST SITE AT KWAJALEIN ATOLL.

The United States Army missile testing range located at Kwajalein Atoll in the Marshall Islands shall be known and designated as the ''Ronald Reagan Ballistic Missile Defense Test Site at Kwajalein Atoll''. Any reference to that range in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Ronald Reagan Ballistic Missile Defense Test Site at Kwajalein Atoll.

SEC. 2892. ACCEPTANCE AND USE OF GIFTS FOR CONSTRUCTION OF THIRD BUILDING AT UNITED STATES AIR FORCE MUSEUM, WRIGHT-PATTERSON AIR FORCE BASE, OHIO.

(a) ACCEPTANCE AUTHORIZED.—(1) The Secretary of the Air Force may accept from the Air Force Museum Foundation, a private non-profit foundation, gifts in the form of cash, Treasury instruments, or comparable United States Government securities for the purpose of paying the costs of design and construction of a third building for the United States Air Force Museum at Wright-Patterson Air Force Base, Ohio. The building is listed as an unfunded military construction requirement for the Air Force in the fiscal year 2002 military construction program of the Air Force.

(2) A gift accepted under paragraph (1) may specify that all or part of the amount of the gift be utilized solely for purposes of the design and construction of a particular portion of the building described in that paragraph.

(b) DEPOSIT IN ESCROW ACCOUNT.—The Secretary, acting through the Comptroller of the Air Force Materiel Command, shall deposit the amount of any cash, instruments, or securities accepted as a gift under subsection (a) in an escrow account established for that purpose.

(c) INVESTMENT.—Amounts in the escrow account under subsection (b) not required to meet current requirements of the account shall be invested in public debt securities with maturities suitable to the needs of the account, as determined by the Comptroller of the Air Force Materiel Command, and bearing interest at rates that take into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities. The income on such investments shall be credited to and form a part of the account.

(d) UTILIZATION.—(1) Amounts in the escrow account under subsection (b), including any income on investments of such amounts under subsection (c), that are attributable to a particular portion of the building described in subsection (a) shall be utilized by the Comptroller of the Air Force Materiel Command to pay the costs of the design and construction of such portion of the building, including progress payments for such design and construction.

(2) Subject to paragraph (3), amounts shall be payable under paragraph (1) upon receipt by the Comptroller of the Air Force Materiel Command of a notification from an appropriate officer or employee of the Corps of Engineers that such amounts are required for the timely payment of an invoice or claim for the performance of design or construction activities for which such amounts are payable under paragraph (1).

(3) The Comptroller of the Air Force Materiel Command shall, to the maximum extent practicable consistent with good business practice, limit payment of amounts from the account in order to maximize the return on investment of amounts in the account.

(e) LIMITATION ON CONTRACTS.—The Corps of Engineers may not enter into a contract for the design or construction of a particular portion of the building described in subsection (a) until amounts in the escrow account under subsection (b), including any income on investments of such amounts under subsection (c), that are attributable to such portion of the building are sufficient to cover the amount of such contract.

(f) LIQUIDATION OF ESCROW ACCOUNT.—(1) Upon final payment of all invoices and claims associated with the design and construction of the building described in subsection (a), the Secretary of the Air Force shall terminate the escrow account under subsection (b).

(2) Any amounts in the account upon final payment of invoices and claims as described in paragraph (1) shall be available to the Secretary for such purposes as the Secretary considers appropriate.

SEC. 2893. DEVELOPMENT OF MARINE CORPS HERITAGE CENTER AT MARINE CORPS BASE, QUANTICO, VIRGINIA.

(a) AUTHORITY TO ENTER INTO JOINT VENTURE FOR DEVELOPMENT.—The Secretary of the Navy may enter into a joint venture with the Marine Corps Heritage Foundation, a not-for-profit entity, for the design and construction of a multipurpose facility to be used for historical displays for public viewing, curation, and storage of artifacts, research facilities, classrooms, offices, and associated activities consistent with the mission of the Marine Corps University. The facility shall be known as the Marine Corps Heritage Center.

(b) AUTHORITY TO ACCEPT CERTAIN LAND.—(1) The Secretary may, if the Secretary determines it to be necessary for the facility described in subsection (a), accept without compensation any portion of the land known as Locust Shade Park which is now offered by the Park Authority of the County of Prince William, Virginia, as a potential site for the facility.

(2) The Park Authority may convey the land described in paragraph (1) to the Secretary under this section without regard to any limitation on its use, or requirement for its replacement upon conveyance, under section 6(f)(3) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–8(f)(3)) or under any other provision of law.

(c) DESIGN AND CONSTRUCTION.—For each phase of development of the facility described in subsection (a), the Secretary may—

(1) permit the Marine Corps Heritage Foundation to contract for the design, construction, or both of such phase of development; or

(2) accept funds from the Marine Corps Heritage Foundation for the design, construction, or both of such phase of development.

(d) ACCEPTANCE AUTHORITY.—Upon completion of construction of any phase of development of the facility described in subsection (a) by the Marine Corps Heritage Foundation to the satisfaction of the Secretary, and the satisfaction of any financial obligations incident thereto by the Marine Corps Heritage Foundation, the facility shall become the property of the Department of the Navy with all right, title, and interest in and to facility being in the United States.

(e) LEASE OF FACILITY.—(1) The Secretary may lease, under such terms and conditions as the Secretary considers appropriate for the joint venture authorized by subsection (a), portions of the facility developed under that subsection to the Marine Corps Heritage Foundation for use in generating revenue for activities of the facility and for such administrative purposes as may be necessary for support of the facility.

(2) The amount of consideration paid the Secretary by the Marine Corps Heritage Foundation for the lease under paragraph (1) may not exceed an amount equal to the actual cost (as determined by the Secretary) of the operation of the facility.

(3) Notwithstanding any other provision of law, the Secretary shall use amounts paid under paragraph (2) to cover the costs of operation of the facility.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the joint venture authorized by subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2894. ACTIVITIES RELATING TO THE GREENBELT AT FALLON NAVAL AIR STATION, NEVADA.

(a) IN GENERAL.—The Secretary of the Navy shall, in consultation with the Secretary of the Army acting through the Chief of Engineers, carry out appropriate activities after examination of the potential environmental and flight safety ramifications for irrigation that has been eliminated, or will be eliminated, for the greenbelt at Fallon Naval Air Station, Nevada. Any activities carried out under the preceding sentence shall be consistent with aircrew safety at Fallon Naval Air Station.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated for operation and maintenance for the Navy such sums as may be necessary to carry out the activities required by subsection (a).

SEC. 2895. SENSE OF CONGRESS REGARDING LAND TRANSFERS AT MELROSE RANGE, NEW MEXICO, AND YAKIMA TRAINING CENTER, WASHINGTON.

(a) FINDINGS.—Congress makes the following findings:

(1) The Secretary of the Air Force seeks the transfer of 6,713 acres of public domain land within the Melrose Range, New Mexico, from the Department of the Interior to the Department of the Air Force for the continued use of these lands as a military range.

(2) The Secretary of the Army seeks the transfer of 6,640 acres of public domain land within the Yakima Training Center, Washington, from the Department of the Interior to the Department of the Army for military training purposes.

(3) The transfers provide the Department of the Air Force and the Department of the Army with complete land management control of these public domain lands to allow for effective land management, minimize safety concerns, and ensure meaningful training.

(4) The Department of the Interior concurs with the land transfers at Melrose Range and Yakima Training Center.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the land transfers at Melrose Range, New Mexico, and Yakima Training Center, Washington, will support military training, safety, and land management concerns on the lands subject to transfer.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

SEC. 3101. NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2001 for national nuclear security administration in carrying out programs necessary for national security in the amount of $6,289,835,000, to be allocated as follows:

(1) WEAPONS ACTIVITIES.—For weapons activities necessary for national nuclear security administration, $4,747,800,000, to be allocated as follows:

(A) STEWARDSHIP OPERATION AND MAINTENANCE.—For stewardship operation and maintenance in carrying out weapons activities necessary for national nuclear security administration, $3,822,383,000, to be allocated as follows:

(i) For directed stockpile work, $842,603,000.

(ii) For campaigns, $1,471,982,000.

(iii) For readiness in technical base and facilities, $1,507,798,000.

(B) SECURE TRANSPORTATION ASSETS.—For secure transportation assets in carrying out weapons activities necessary for national nuclear security administration, $115,673,000, to be allocated as follows:

(i) For operation and maintenance, $79,357,000.

(ii) For program direction (secure transportation), $36,316,000.

(C) PROGRAM DIRECTION.—For program direction in carrying out weapons activities necessary for national nuclear security administration, $221,257,000.

(D) CONSTRUCTION.—For construction (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto) in carrying out weapons activities necessary for national nuclear security administration, $588,173,000, to be allocated as follows:

Project 01–D–101, distributed information systems laboratory, Sandia National Laboratories, Livermore, California, $2,300,000.

Project 01–D–103, preliminary project design and engineering, various locations, $14,500,000.

Project 01–D–124, highly enriched uranium (HEU) materials facility, Y–12 Plant, Oak Ridge, Tennessee, $17,800,000.

Project 01–D–126, weapons evaluation test laboratory, Pantex Plant, Amarillo, Texas, $3,000,000.

Project 00–D–103, terascale simulation facility, Lawrence Livermore National Laboratory, Livermore, California, $5,000,000.

Project 00–D–105, strategic computing complex, Los Alamos National Laboratory, Los Alamos, New Mexico, $56,000,000.

Project 00–D–107, joint computational engineering laboratory, Sandia National Laboratories, Albuquerque, New Mexico, $6,700,000.

Project 99–D–103, isotope sciences facilities, Lawrence Livermore National Laboratory, Livermore, California, $5,000,000.

Project 99–D–104, protection of real property (roof reconstruction, Phase II) Lawrence Livermore National Laboratory, Livermore, California, $2,800,000.

Project 99–D–106, model validation and systems certification test center, Sandia National Laboratories, Albuquerque, New Mexico, $5,200,000.

Project 99–D–108, renovate existing roadways, Nevada Test Site, Nevada, $2,000,000.

Project 99–D–125, replace boilers and controls, Kansas City Plant, Kansas City, Missouri, $13,000,000.

Project 99–D–127, stockpile management restructuring initiative, Kansas City Plant, Kansas City, Missouri, $23,765,000.

Project 99–D–128, stockpile management restructuring initiative, Pantex Plant consolidation, Amarillo, Texas, $4,998,000.

Project 99–D–132, stockpile management restructuring initiative, nuclear materials safeguards and security upgrades project, Los Alamos National Laboratory, Los Alamos, New Mexico, $18,043,000.

Project 98–D–123, stockpile management restructuring initiative, tritium facility modernization and consolidation, Savannah River Site, Aiken, South Carolina, $30,767,000.

Project 98–D–125, tritium extraction facility, Savannah River Site, Aiken, South Carolina, $75,000,000.

Project 98–D–126, Accelerator Production of Tritium (APT), various locations, $34,000,000.

Project 97–D–102, dual-axis radiographic hydrotest facility (DARHT), Los Alamos National Laboratory, Los Alamos, New Mexico, $35,232,000.

Project 97–D–123, structural upgrades, Kansas City Plant, Kansas City, Missouri, $2,918,000.

Project 96–D–111, national ignition facility (NIF), Lawrence Livermore National Laboratory, Livermore, California, $214,100,000.

Project 95–D–102, chemistry and metallurgy research upgrades project, Los Alamos National Laboratory, Los Alamos, New Mexico, $13,337,000.

Project 88–D–123, security enhancement, Pantex Plant, Amarillo, Texas, $2,713,000.

(2) DEFENSE NUCLEAR NONPROLIFERATION.—For defense nuclear nonproliferation necessary for national nuclear security administration, $847,035,000, to be allocated as follows:

(A) NONPROLIFERATION AND VERIFICATION RESEARCH AND DEVELOPMENT.—For nonproliferation and verification research and development technology in carrying out defense nuclear nonproliferation necessary for national nuclear security administration, $262,990,000, to be allocated as follows:

(i) For operation and maintenance, $255,990,000.

(ii) For the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $7,000,000, to be allocated as follows:

Project 00–D–192, nonproliferation and international security center (NISC), Los Alamos National Laboratory, Los Alamos, New Mexico, $7,000,000.

(B) ARMS CONTROL.—For arms control in carrying out defense nuclear nonproliferation necessary for national nuclear security administration, $308,060,000, to be allocated as follows:

(i) For arms control operations, $272,870,000.

(ii) For highly enriched uranium (HEU) transparency implementation, $15,190,000.

(iii) For international nuclear safety, $20,000,000.

(C) FISSILE MATERIALS DISPOSITION.—For fissile materials disposition in carrying out defense nuclear nonproliferation necessary for national nuclear security administration, $224,517,000, to be allocated as follows:

(i) For operation and maintenance, $175,517,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $49,000,000, to be allocated as follows:

Project 00–D–142, immobilization and associated processing facility, titles I and II design, Savannah River Site, Aiken, South Carolina, $3,000,000.

Project 99–D–141, pit disassembly and conversion facility, titles I and II design, Savannah River Site, Aiken, South Carolina, $20,000,000.

Project 99–D–143, mixed oxide fuel fabrication facility, titles I and II design, Savannah River Site, Aiken, South Carolina, $26,000,000.

(D) PROGRAM DIRECTION.—For program direction in carrying out defense nuclear nonproliferation necessary for national nuclear security administration, $51,468,000.

(3) NAVAL REACTORS.—For naval reactors activities necessary for national nuclear security administration, $695,000,000, to be allocated as follows:

(A) NAVAL REACTORS DEVELOPMENT.—For naval reactors development in carrying out naval reactors activities necessary for national nuclear security administration, $673,600,000, to be allocated as follows:

(i) For operation and maintenance, $644,900,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $28,700,000, to be allocated as follows:

Project GPN–101, general plant projects, various locations, $11,400,000.

Project 01–D–200, major office replacement building, Schenectady, New York, $1,300,000.

Project 90–N–102, expended core facility dry cell project, Naval Reactors Facility, Idaho Falls, Idaho, $16,000,000.

(B) PROGRAM DIRECTION.—For program direction in carrying out naval reactors activities necessary for national nuclear security administration, $21,400,000.

SEC. 3102. DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) IN GENERAL.—Subject to subsection (b), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2001 for environmental restoration and waste management activities in carrying out programs necessary for national security in the amount of $5,651,824,000, to be allocated as follows:

(1) CLOSURE PROJECTS.—For closure projects carried out in accordance with section 3143 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2836; 42 U.S.C. 7277n), $1,082,297,000

(2) SITE/PROJECT COMPLETION.—For site completion and project completion in carrying out environmental management activities necessary for national security programs, $930,951,000, to be allocated as follows:

(A) For operation and maintenance, $861,475,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $69,476,000, to be allocated as follows:

Project 01–D–402, Intec cathodic protection system expansion, Idaho National Engineering and Environmental Laboratory, Idaho Falls, Idaho, $500,000.

Project 01–D–407, highly enriched uranium (HEU) blend down, Savannah River Site, Aiken, South Carolina, $27,932,000.

Project 99–D–402, tank farm support services, F&H areas, Savannah River Site, Aiken, South Carolina, $7,714,000.

Project 99–D–404, health physics instrumentation laboratory, Idaho National Engineering and Environmental Laboratory, Idaho Falls, Idaho, $4,300,000.

Project 98–D–453, plutonium stabilization and handling system for plutonium finishing plant, Richland, Washington, $1,690,000.

Project 97–D–470, regulatory monitoring and bioassay laboratory, Savannah River Site, Aiken, South Carolina, $3,949,000.

Project 96–D–471, chlorofluorocarbon heating, ventilation, and air conditioning and chiller retrofit, Savannah River Site, Aiken, South Carolina, $12,512,000.

Project 92–D–140, F&H canyon exhaust upgrades, Savannah River Site, Aiken, South Carolina, $8,879,000.

Project 86–D–103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, $2,000,000.

(3) POST 2006 COMPLETION.—For post-2006 completion in carrying out environmental restoration and waste management activities necessary for national security programs, $3,178,457,000, to be allocated as follows:

(A) For operation and maintenance, $2,683,725,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $99,732,000, to be allocated as follows:

Project 01–D–403, immobilized high-level waste interim storage facility, Richland, Washington, $1,300,000.

Project 99–D–403, privatization phase I infrastructure support, Richland, Washington, $7,812,000.

Project 97–D–402, tank farm restoration and safe operations, Richland, Washington, $46,023,000.

Project 94–D–407, initial tank retrieval systems, Richland, Washington, $17,385,000.

Project 93–D–187, high-level waste removal from filled waste tanks, Savannah River Site, Aiken, South Carolina, $27,212,000.

(4) SCIENCE AND TECHNOLOGY DEVELOPMENT.—For science and technology development in carrying out environmental restoration and waste management activities necessary for national security programs, $246,548,000.

(5) PROGRAM DIRECTION.—For program direction in carrying out environmental restoration and waste management activities necessary for national security programs, $354,888,000.

(b) ADJUSTMENT.—The total amount authorized to be appropriated by subsection (a) is the sum of the amounts authorized to be appropriated by paragraphs (1) through (5) of that subsection, reduced by $216,317,000.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

(a) IN GENERAL.—Subject to subsection (b), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2001 for other defense activities in carrying out programs necessary for national security in the amount of $536,322,000, to be allocated as follows:

(1) INTELLIGENCE.—For intelligence in carrying out other defense activities necessary for national security programs, $38,059,000, to be allocated as follows:

(A) For operation and maintenance, $36,059,000.

(B) For the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $2,000,000, to be allocated as follows:

Project 01–D–800, sensitive compartmented information facility, Lawrence Livermore National Laboratory, Livermore, California, $2,000,000.

(2) COUNTERINTELLIGENCE.—For counterintelligence in carrying out other defense activities necessary for national security programs, $75,200,000.

(3) SECURITY AND EMERGENCY OPERATIONS.—For security and emergency operations in carrying out other defense activities necessary for national security programs, $281,576,000, to be allocated as follows:

(A) For nuclear safeguards and security, $124,409,000.

(B) For security investigations, $33,000,000.

(C) For emergency management, $37,300,000.

(D) For program direction, $86,867,000.

(4) INDEPENDENT OVERSIGHT AND PERFORMANCE ASSURANCE.—For independent oversight and performance assurance in carrying out other defense activities necessary for national security programs, $14,937,000, to be allocated for program direction.

(5) ENVIRONMENT, SAFETY, AND HEALTH, DEFENSE.—For environment, safety, and health, defense, in carrying out other defense activities necessary for national security programs, $99,050,000, to be allocated as follows:

(A) For the Office of Environment, Safety, and Health (Defense), $76,446,000.

(B) For program direction, $22,604,000.

(6) WORKER AND COMMUNITY TRANSITION.—For worker and community transition in carrying out other defense activities necessary for national security programs, $24,500,000, to be allocated as follows:

(A) For operation and maintenance, $21,500,000.

(B) For program direction, $3,000,000.

(7) OFFICE OF HEARINGS AND APPEALS.—For the Office of Hearings and Appeals in carrying out other defense activities necessary for national security programs, $3,000,000.

(b) ADJUSTMENTS.—(1) The amount authorized to be appropriated pursuant to subsection (a)(3)(B) is reduced by $20,000,000 to reflect an offset provided by user organizations for security investigations.

(2) The total amount authorized to be appropriated by subsection (a) is the sum of the amounts authorized to be appropriated by paragraphs (1) through (7) of that subsection, reduced by $50,000,000.

SEC. 3104. DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2001 for privatization initiatives in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $390,092,000, to be allocated as follows:

Project 98–PVT–2, spent nuclear fuel dry storage, Idaho Falls, Idaho, $25,092,000.

Project 97–PVT–1, tank waste remediation system project, phase I, Richland, Washington, $300,000,000.

Project 97–PVT–2, advanced mixed waste treatment project Idaho Falls, Idaho, $65,000,000.

(b) EXPLANATION OF ADJUSTMENT.—The amount authorized to be appropriated pursuant to subsection (a) is the sum of the amounts authorized to be appropriated for the projects in that subsection reduced by $25,092,000 for use of prior year balances of funds for defense environmental management privatization.

SEC. 3105. ENERGY EMPLOYEES COMPENSATION INITIATIVE.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2001 for an energy employees compensation initiative in the amount of $17,000,000.

SEC. 3106. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2001 for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $112,000,000.

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(a) IN GENERAL.—Until the Secretary of Energy submits to the congressional defense committees the report referred to in subsection (b) and a period of 30 days has elapsed after the date on which such committees receive the report, the Secretary may not use amounts appropriated pursuant to this title for any program—

(1) in amounts that exceed, in a fiscal year—

(A) 110 percent of the amount authorized for that program by this title; or

(B) $ 1,000,000 more than the amount authorized for that program by this title; or

(2) which has not been presented to, or requested of, Congress.

(b) REPORT.—(1) The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the proposed action.

(2) In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) LIMITATIONS.—(1) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

(2) Funds appropriated pursuant to this title may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS.

(a) IN GENERAL.—The Secretary of Energy may carry out any construction project under the general plant projects authorized by this title if the total estimated cost of the construction project does not exceed $5,000,000.

(b) REPORT TO CONGRESS.—If, at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds $5,000,000, the Secretary shall immediately furnish a report to the congressional defense committees explaining the reasons for the cost variation.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever the current estimated cost of the construction project, authorized by 3101, 3102, or 3103, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there is excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(b) EXCEPTION.—Subsection (a) does not apply to a construction project with a current estimated cost of less than $5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title to other Federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same time period as the authorizations of the Federal agency to which the amounts are transferred.

(b) TRANSFER WITHIN DEPARTMENT OF ENERGY.—(1) Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title between any such authorizations. Amounts of authorizations so transferred may be merged with and be available for the same purposes and for the same period as the authorization to which the amounts are transferred.

(2) Not more than 5 percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased or decreased by more than 5 percent by a transfer under such paragraph.

(c) LIMITATIONS.—The authority provided by this subsection to transfer authorizations—

(1) may be used only to provide funds for items relating to activities necessary for national security programs that have a higher priority than the items from which the funds are transferred; and

(2) may not be used to provide funds for an item for which Congress has specifically denied funds.

(d) NOTICE TO CONGRESS.—The Secretary of Energy shall promptly notify the Committees on Armed Services of the Senate and House of Representatives of any transfer of funds to or from authorizations under this title.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(a) REQUIREMENT OF CONCEPTUAL DESIGN.—(1) Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project.

(2) If the estimated cost of completing a conceptual design for a construction project exceeds $3,000,000, the Secretary shall submit to Congress a request for funds for the conceptual design before submitting a request for funds for the construction project.

(3) The requirement in paragraph (1) does not apply to a request for funds—

(A) for a construction project the total estimated cost of which is less than $5,000,000; or

(B) for emergency planning, design, and construction activities under section 3126.

(b) AUTHORITY FOR CONSTRUCTION DESIGN.—(1) Within the amounts authorized by this title, the Secretary of Energy may carry out construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed $600,000.

(2) If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for that design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) AUTHORITY.—The Secretary of Energy may use any funds available to the Department of Energy pursuant to an authorization in this title, including funds authorized to be appropriated for advance planning and construction design under sections 3101, 3102, and 3103, to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, to meet the needs of national defense, or to protect property.

(b) LIMITATION.—The Secretary may not exercise the authority under subsection (a) in the case of any construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making those activities necessary.

(c) SPECIFIC AUTHORITY.—The requirement of section 3125(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriation Acts and section 3121, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AVAILABILITY OF FUNDS.

(a) IN GENERAL.—Except as provided in subsection (b), when so specified in an appropriations Act, amounts appropriated for operation and maintenance or for plant projects may remain available until expended.

(b) EXCEPTION FOR PROGRAM DIRECTION FUNDS.—Amounts appropriated for program direction pursuant to an authorization of appropriations in subtitle A shall remain available to be expended only until the end of fiscal year 2003.

SEC. 3129. TRANSFER OF DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.

(a) TRANSFER AUTHORITY FOR DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.—The Secretary of Energy shall provide the manager of each field office of the Department of Energy with the authority to transfer defense environmental management funds from a program or project under the jurisdiction of the office to another such program or project.

(b) LIMITATIONS.—(1) Only one transfer may be made to or from any program or project under subsection (a) in a fiscal year.

(2) The amount transferred to or from a program or project under subsection (a) may not exceed $5,000,000 in a fiscal year.

(3) A transfer may not be carried out by a manager of a field office under subsection (a) unless the manager determines that the transfer is necessary to address a risk to health, safety, or the environment or to assure the most efficient use of defense environmental management funds at the field office.

(4) Funds transferred pursuant to subsection (a) may not be used for an item for which Congress has specifically denied funds or for a new program or project that has not been authorized by Congress.

(c) EXEMPTION FROM REPROGRAMMING REQUIREMENTS.—The requirements of section 3121 shall not apply to transfers of funds pursuant to subsection (a).

(d) NOTIFICATION.—The Secretary, acting through the Assistant Secretary of Energy for Environmental Management, shall notify Congress of any transfer of funds pursuant to subsection (a) not later than 30 days after such transfer occurs.

(e) DEFINITIONS.—In this section:

(1) The term ''program or project'' means, with respect to a field office of the Department of Energy, any of the following:

(A) A program referred to or a project listed in paragraphs (2) through (5) of section 3102(a).

(B) A program or project not described in subparagraph (A) that is for environmental restoration or waste management activities necessary for national security programs of the Department, that is being carried out by the office, and for which defense environmental management funds have been authorized and appropriated before the date of the enactment of this Act.

(2) The term ''defense environmental management funds'' means funds appropriated to the Department of Energy pursuant to an authorization for carrying out environmental restoration and waste management activities necessary for national security programs.

(f) DURATION OF AUTHORITY.—The managers of the field offices of the Department may exercise the authority provided under subsection (a) during the period beginning on October 1, 2000, and ending on September 30, 2001.

Subtitle C—National Nuclear Security Administration

SEC. 3131. TERM OF OFFICE OF PERSON FIRST APPOINTED AS UNDER SECRETARY FOR NUCLEAR SECURITY OF THE DEPARTMENT OF ENERGY.

(a) LENGTH OF TERM.—The term of office as Under Secretary for Nuclear Security of the Department of Energy of the person first appointed to that position shall be three years.

(b) EXCLUSIVE REASONS FOR REMOVAL.—The exclusive reasons for removal from office as Under Secretary for Nuclear Security of the person described in subsection (a) shall be inefficiency, neglect of duty, or malfeasance in office.

(c) POSITION DESCRIBED.—The position of Under Secretary for Nuclear Security of the Department of Energy referred to in this section is the position established by subsection (c) of section 202 of the Department of Energy Organization Act (42 U.S.C. 7132), as added by section 3202 of the National Nuclear Security Administration Act (title XXXII of Public Law 106–65; 113 Stat. 954)).

SEC. 3132. MEMBERSHIP OF UNDER SECRETARY FOR NUCLEAR SECURITY ON THE JOINT NUCLEAR WEAPONS COUNCIL.

(a) MEMBERSHIP.—Section 179 of title 10, United States Code, is amended—

(1) in subsection (a), by striking paragraph (3) and inserting the following new paragraph (3):

''(3) The Under Secretary for Nuclear Security of the Department of Energy.''; and

(2) in subsection (b)(2), by striking ''the representative designated under subsection (a)(3)'' and inserting ''the Under Secretary for Nuclear Security of the Department of Energy''.

(b) CONFORMING AMENDMENT.—Section 3212 of the National Nuclear Security Administration Act (title XXXII of the Public Law 106–65; 50 U.S.C. 2402) is amended by adding at the end the following new subsection:

''(e) MEMBERSHIP ON JOINT NUCLEAR WEAPONS COUNCIL.—The Administrator serves as a member of the Joint Nuclear Weapons Council under section 179 of title 10, United States Code.''.

SEC. 3133. SCOPE OF AUTHORITY OF SECRETARY OF ENERGY TO MODIFY ORGANIZATION OF NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) SCOPE OF AUTHORITY.—Subtitle A of the National Nuclear Security Administration Act (title XXXII of Public Law 106–65; 113 Stat. 957; 50 U.S.C. 2401 et seq.) is amended by adding at the end the following new section:

''SEC. 3219. SCOPE OF AUTHORITY OF SECRETARY OF ENERGY TO MODIFY ORGANIZATION OF ADMINISTRATION.

''Notwithstanding the authority granted by section 643 of the Department of Energy Organization Act (42 U.S.C. 7253) or any other provision of law, the Secretary of Energy may not establish, abolish, alter, consolidate, or discontinue any organizational unit or component, or transfer any function, of the Administration, except as authorized by subsection (b) or (c) of section 3291.''.

(b) CONFORMING AMENDMENTS.—Section 643 of the Department of Energy Organization Act (42 U.S.C. 7253) is amended—

(1) by striking ''The Secretary'' and inserting ''(a) Subject to subsection (b), the Secretary''; and

(2) by adding at the end the following new subsection:

''(b) The authority of the Secretary to establish, abolish, alter, consolidate, or discontinue any organizational unit or component of the National Nuclear Security Administration is governed by the provisions of section 3219 of the National Nuclear Security Administration Act (title XXXII of Public Law 106–65).''.

SEC. 3134. PROHIBITION ON PAY OF PERSONNEL ENGAGED IN CONCURRENT SERVICE OR DUTIES INSIDE AND OUTSIDE NATIONAL NUCLEAR SECURITY ADMINISTRATION.

Subtitle C of the National Nuclear Security Administration Act (title XXXII of Public Law 106–65; 50 U.S.C. 2441 et seq.) is amended by adding at the end the following new section:

''SEC. 3245. PROHIBITION ON PAY OF PERSONNEL ENGAGED IN CONCURRENT SERVICE OR DUTIES INSIDE AND OUTSIDE ADMINISTRATION.

''Except as otherwise expressly provided by statute, no funds authorized to be appropriated or otherwise made available for the Department of Energy for any fiscal year after fiscal year 2000 may be obligated or utilized to pay the basic pay of an officer or employee of the Department of Energy who—

''(1) serves concurrently in a position in the Administration and a position outside the Administration; or

''(2) performs concurrently the duties of a position in the Administration and the duties of a position outside the Administration.''.

SEC. 3135. ORGANIZATION PLAN FOR FIELD OFFICES OF THE NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) PLAN REQUIRED.—Not later than March 1, 2001, the Administrator of the National Nuclear Security Administration shall submit to the Committees on Armed Services of the Senate and House of Representatives a plan for assigning roles and responsibilities to and among the headquarters and field organizational units of the National Nuclear Security Administration.

(b) PLAN ELEMENTS.—The plan shall include the following:

(1) A general description of the organizational structure of the administrative functions of the National Nuclear Security Administration under the plan, including the authorities and responsibilities to be vested in the units of the headquarters, operations offices, and area offices of the Administration.

(2) A description of any downsizing, elimination, or consolidation of units of the headquarters, operations offices, and area offices of the Administration that may be necessary to enhance the efficiency of the Administration.

(3) A description of the modifications of staffing levels of the headquarters, operations offices, and area offices of the Administration, including any reductions in force, employment of additional personnel, or realignments of personnel, that are necessary to implement the plan.

(4) A schedule for the implementation of the plan.

(c) INCLUDED FACILITIES.—The plan shall address any administrative units in the National Nuclear Security Administration, including units in and under the following:

(1) The Department of Energy Headquarters, Washington, District of Columbia, metropolitan area.

(2) The Albuquerque Operations Office, Albuquerque, New Mexico.

(3) The Nevada Operations Office, Las Vegas, Nevada.

(4) The Oak Ridge Operations Office, Oak Ridge, Tennessee.

(5) The Oakland Operations Office, Oakland, California.

(6) The Savannah River Operations Office, Aiken, South Carolina.

(7) The Los Alamos Area Office, Los Alamos, New Mexico.

(8) The Kirtland Area Office, Albuquerque, New Mexico.

(9) The Amarillo Area Office, Amarillo, Texas.

(10) The Kansas City Area Office, Kansas City, Missouri.

SEC. 3136. FUTURE-YEARS NUCLEAR SECURITY PROGRAM.

(a) PROGRAM REQUIRED.—(1) The Under Secretary for Nuclear Security of the Department of Energy shall submit to the congressional defense committees a future-years nuclear security program (including associated annexes) for fiscal year 2001 and the five succeeding fiscal years.

(2) The program shall reflect the estimated expenditures and proposed appropriations included in the budget for fiscal year 2001 that is submitted to Congress in 2000 under section 1105(a) of title 31, United States Code.

(b) PROGRAM DETAIL.—The level of detail of the program submitted under subsection (a) shall be equivalent to the level of detail in the Project Baseline Summary system of the Department of Energy, if practicable, but in no event below the following:

(1) In the case of directed stockpile work, detail as follows:

(A) Stockpile research and development.

(B) Stockpile maintenance.

(C) Stockpile evaluation.

(D) Dismantlement and disposal.

(E) Production support.

(F) Field engineering, training, and manuals.

(2) In the case of campaigns, detail as follows:

(A) Primary certification.

(B) Dynamic materials properties.

(C) Advanced radiography.

(D) Secondary certification and nuclear system margins.

(E) Enhanced surety.

(F) Weapons system engineering certification.

(G) Certification in hostile environments.

(H) Enhanced surveillance.

(I) Advanced design and production technologies.

(J) Inertial confinement fusion (ICF) ignition and high yield.

(K) Defense computing and modeling.

(L) Pit manufacturing readiness.

(M) Secondary readiness.

(N) High explosive readiness.

(O) Nonnuclear readiness.

(P) Materials readiness.

(Q) Tritium readiness.

(3) In the case of readiness in technical base and facilities, detail as follows:

(A) Operation of facilities.

(B) Program readiness.

(C) Special projects.

(D) Materials recycle and recovery.

(E) Containers.

(F) Storage.

(4) In the case of secure transportation assets, detail as follows:

(A) Operation and maintenance.

(B) Program direction relating to transportation.

(5) Program direction.

(6) Construction (listed by project number).

(7) In the case of safeguards and security, detail as follows:

(A) Operation and maintenance.

(B) Construction.

(c) DEADLINE FOR SUBMITTAL.—The future-years nuclear security program required by subsection (a) shall be submitted not later than November 1, 2000.

(d) LIMITATION ON USE OF FUNDS PENDING SUBMITTAL.—Not more than 65 percent of the funds authorized to be appropriated or otherwise made available for the Department of Energy for fiscal year 2001 by section 3101(a)(1)(C) may be obligated or expended until 45 days after the date on which the Under Secretary of Energy for Nuclear Security submits to the congressional defense committees the program required by subsection (a).

SEC. 3137. COOPERATIVE RESEARCH AND DEVELOPMENT OF THE NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) OBJECTIVE FOR OBLIGATION OF FUNDS.—It shall be an objective of the Administrator of the National Nuclear Security Administration to obligate funds for cooperative research and development agreements (as that term is defined in section 12(d)(1) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(d)(1)), or similar cooperative, cost-shared research partnerships with non-Federal organizations, in a fiscal year covered by subsection (b) in an amount at least equal to the percentage of the total amount appropriated for the Administration for such fiscal year that is specified for such fiscal year under subsection (b).

(b) FISCAL YEAR PERCENTAGES.—The percentages of funds appropriated for the National Nuclear Security Administration that are obligated in accordance with the objective under subsection (a) are as follows:

(1) In each of fiscal years 2001 and 2002, 0.5 percent.

(2) In any fiscal year after fiscal year 2002, the percentage recommended by the Administrator for each such fiscal year in the report under subsection (c).

(c) RECOMMENDATIONS FOR PERCENTAGES IN LATER FISCAL YEARS.—Not later than one year after the date of the enactment of this Act, the Administrator shall submit to the congressional defense committees a report setting forth the Administrator's recommendations for appropriate percentages of funds appropriated for the National Nuclear Security Administration to be obligated for agreements described in subsection (a) during each fiscal year covered by the report.

(d) CONSISTENCY OF AGREEMENTS.—Any agreement entered into under this section shall be consistent with and in support of the mission of the National Nuclear Security Administration.

(e) REPORTS ON ACHIEVEMENT OF OBJECTIVE.—(1) Not later than March 30, 2002, and each year thereafter, the Administrator shall submit to the congressional defense committees a report on whether funds of the National Nuclear Security Administration were obligated in the fiscal year ending in the preceding year in accordance with the objective for such fiscal year under this section.

(2) If funds were not obligated in a fiscal year in accordance with the objective under this section for such fiscal year, the report under paragraph (1) shall—

(A) describe the actions the Administrator proposes to take to ensure that the objective under this section for the current fiscal year and future fiscal years will be met; and

(B) include any recommendations for legislation required to achieve such actions.

SEC. 3138. CONSTRUCTION OF NATIONAL NUCLEAR SECURITY ADMINISTRATION OPERATIONS OFFICE COMPLEX.

(a) AUTHORITY FOR DESIGN AND CONSTRUCTION.—Subject to subsection (b), the Administrator of the National Nuclear Security Administration may provide for the design and construction of a new operations office complex for the National Nuclear Security Administration in accordance with the feasibility study regarding such operations office complex conducted under the National Defense Authorization Act for Fiscal Year 2000.

(b) LIMITATION.—The Administrator may not exercise the authority in subsection (a) until the later of—

(1) 30 days after the date on which the plan required by section 3135(a) is submitted to the Committees on Armed Services of the Senate and House of Representatives under that section; or

(2) the date on which the Administrator certifies to Congress that the design and construction of the complex in accordance with the feasibility study is consistent with the plan required by section 3135(a).

(c) BASIS OF AUTHORITY.—The design and construction of the operations office complex authorized by subsection (a) shall be carried out through one or more energy savings performance contracts (ESPC) entered into under this section and in accordance with the provisions of title VIII of the National Energy Policy Conservation Act (42 U.S.C. 8287 et seq.).

(d) PAYMENT OF COSTS.—Amounts for payments of costs associated with the construction of the operations office complex authorized by subsection (a) shall be derived from energy savings and ancillary operation and maintenance savings that result from the replacement of a current Department of Energy operations office complex (as identified in the feasibility study referred to in subsection (a)) with the operations office complex authorized by subsection (a).

Subtitle D—Program Authorizations, Restrictions, and Limitations

SEC. 3151. PROCESSING, TREATMENT, AND DISPOSITION OF LEGACY NUCLEAR MATERIALS.

(a) CONTINUATION.—The Secretary of Energy shall continue operations and maintain a high state of readiness at the F-canyon and H-canyon facilities at the Savannah River Site, Aiken, South Carolina, and shall provide technical staff necessary to operate and so maintain such facilities.

(b) LIMITATION ON USE OF FUNDS FOR DECOMMISSIONING OF F-CANYON FACILITY.—No amounts authorized to be appropriated or otherwise made available for the Department of Energy by this Act or any other Act may be obligated or expended for purposes of commencing the decommissioning of the F-canyon facility at the Savannah River Site, including any studies and planning relating to such decommissioning, until the Secretary and the Defense Nuclear Facilities Safety Board jointly submit to the congressional defense committees a certification as follows:

(1) That all materials present in the facility as of the date of the certification are safely stabilized.

(2) That requirements applicable to the facility in order to meet the future needs of the United States for fissile materials disposition can be met fully utilizing the H-canyon facility at the Savannah River Site.

(c) PLAN FOR TRANSFER OF LONG-TERM CHEMICAL SEPARATION ACTIVITIES.—Not later than February 15, 2001, the Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives a plan for the transfer of all long-term chemical separation activities from the F-canyon facility to the H-canyon facility at the Savannah River Site commencing in fiscal year 2002.

SEC. 3152. FORMERLY UTILIZED SITES REMEDIAL ACTION PROGRAM.

(a) CONTINGENT LIMITATION ON AVAILABILITY OF FUNDS FOR CERTAIN TRAVEL EXPENSES.—Subject to the provisions of this section, no funds authorized to be appropriated or otherwise made available for the Department of Energy by this or any other Act may be obligated or expended for travel by the Secretary of Energy or any employees of the Office of the Secretary of Energy.

(b) APPLICABILITY.—The prohibition in subsection (a) shall take effect on March 1, 2001, unless the Secretary of Energy makes a certification to the congressional defense committees before that date that the Department of Energy is in compliance with the requirements of section 3131 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 925; 10 U.S.C. 2701 note).

(c) TERMINATION.—If the prohibition in subsection (a) takes effect under subsection (b), the prohibition shall remain in effect until the date on which the Secretary makes the certification described in subsection (b).

SEC. 3153. DEPARTMENT OF ENERGY DEFENSE NUCLEAR NONPROLIFERATION PROGRAMS.

(a) NUCLEAR MATERIALS PROTECTION, CONTROL, AND ACCOUNTING PROGRAM.—(1) Not later than January 1, 2001, and each year thereafter, the Secretary of Energy shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the status of efforts during the preceding fiscal year under the Nuclear Materials Protection, Control, and Accounting Program of the Department of Energy to secure weapons-usable nuclear materials in Russia that have been identified as being at risk for theft or diversion.

(2) Each report under paragraph (1) shall set forth the following:

(A) The number of buildings, including building locations, that received complete and integrated materials protection, control, and accounting systems for nuclear materials described in paragraph (1) during the year covered by such report.

(B) The amounts of highly enriched uranium and plutonium in Russia that have been secured under systems described in subparagraph (A) as of the date of such report.

(C) The amount of nuclear materials described in paragraph (1) that continues to require securing under systems described in subparagraph (A) as of the date of such report.

(D) A plan for actions to secure the nuclear materials identified in subparagraph (C) under systems described in subparagraph (A), including an estimate of the cost of such actions.

(E) The amounts expended through the fiscal year preceding the date of such report to secure nuclear materials described in paragraph (1) under systems described in subparagraph (A), set forth by total amount and by amount per fiscal year.

(3)(A) No amounts authorized to be appropriated for the Department of Energy by this Act or any other Act for purposes of the Nuclear Materials Protection, Control, and Accounting Program may be obligated or expended after September 30, 2000, for any project under the program at a nuclear weapons complex in Russia until the Secretary submits to the Committees on Armed Services of the Senate and House of Representatives a report on the access policy established with respect to such project, including a certification that the access policy has been implemented.

(B) The access policy with respect to a project under this paragraph shall—

(i) permit appropriate determinations by United States officials regarding security requirements, including security upgrades, for the project; and

(ii) ensure verification by United States officials that Department of Energy assistance at the project is being used for the purposes intended.

(b) NUCLEAR CITIES INITIATIVE.—(1)(A) Except as provided in subparagraph (B), no amounts authorized to be appropriated or otherwise made available for the Department of Energy for fiscal year 2001 for the Nuclear Cities Initiative may be obligated or expended for purposes of providing assistance under the Initiative until 30 days after the date on which the Secretary of Energy submits to the Committees on Armed Services of the Senate and House of Representatives a copy of an agreement described in subparagraph (C).

(B) Subparagraph (A) shall not apply with respect to the obligation or expenditure of funds for purposes of providing assistance under the Nuclear Cities Initiative to the following:

(i) Not more than three nuclear cities in Russia.

(ii) Not more than two serial production facilities in Russia.

(C) An agreement referred to in this subparagraph is a written agreement between the United States Government and the Government of the Russian Federation which provides that Russia will close some of its facilities engaged in nuclear weapons assembly and disassembly work.

(2)(A) Of the amounts appropriated or otherwise made available for the Department of Energy for fiscal year 2001 for the Nuclear Cities Initiative, not more than 50 percent of such amounts may be obligated or expended for purposes of the Initiative until the Secretary of Energy establishes and implements project review procedures for projects under the Initiative.

(B) The project review procedures established under subparagraph (A) shall ensure that any scientific, technical, or commercial project initiated under the Nuclear Cities Initiative—

(i) shall not enhance the military or weapons of mass destruction capabilities of Russia;

(ii) shall not result in the inadvertent transfer or utilization of products or activities under such project for military purposes;

(iii) shall be commercially viable; and

(iv) shall be carried out in conjunction with an appropriate commercial, industrial, or other nonprofit entity as partner.

(C) Not later than January 1, 2001, the Secretary of Energy shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the project review procedures established and implemented under this paragraph.

(3) In this subsection, the term ''Nuclear Cities Initiative'' means the initiative arising pursuant to the March 1998 discussion between the Vice President of the United States and the Prime Minister of the Russian Federation and between the Secretary of Energy of the United States and the Minister of Atomic Energy of the Russian Federation.

(c) INTERNATIONAL NUCLEAR SECURITY PROGRAM.—Amounts authorized to be appropriated or otherwise made available by this title for the Department of Energy for fiscal year 2001 for the International Nuclear Security Program in the former Soviet Union and Eastern Europe shall be available only for purposes of reactor safety upgrades and training relating to nuclear operator and reactor safety.

SEC. 3154. MODIFICATION OF COUNTERINTELLIGENCE POLYGRAPH PROGRAM.

(a) COVERED PERSONS.—Subsection (b) of section 3154 of the Department of Energy Facilities Safeguards, Security, and Counterintelligence Enhancement Act of 1999 (subtitle D of title XXXI of Public Law 106–65; 113 Stat. 941; 42 U.S.C. 7383h) is amended to read as follows:

''(b) COVERED PERSONS.—(1) Subject to paragraph (2), for purposes of this section, a covered person is one of the following:

''(A) An officer or employee of the Department.

''(B) An expert or consultant under contract to the Department.

''(C) An officer or employee of a contractor of the Department.

''(D) An individual assigned or detailed to the Department.

''(E) An applicant for a position in the Department.

''(2) A person described in paragraph (1) is a covered person for purposes of this section only if the position of the person, or for which the person is applying, under that paragraph is a position in one of the categories of positions listed in section 709.4 of title 10, Code of Federal Regulations.''.

(b) HIGH-RISK PROGRAMS.—Subsection (c) of that section is amended to read as follows:

''(c) HIGH-RISK PROGRAMS.—For purposes of this section, high-risk programs are the following:

''(1) The programs known as Special Access Programs and Personnel Security and Assurance Programs.

''(2) Any other program or position category specified in section 709.4 of title 10, Code of Federal Regulations.''.

(c) AUTHORITY TO WAIVE EXAMINATION REQUIREMENT.—Subsection (d) of that section is amended—

(1) by inserting ''(1)'' before ''The Secretary''; and

(2) by adding at the end the following new paragraphs:

''(2) Subject to paragraph (3), the Secretary may, after consultation with appropriate security personnel, waive the applicability of paragraph (1) to a covered person—

''(A) if—

''(i) the Secretary determines that the waiver is important to the national security interests of the United States;

''(ii) the covered person has an active security clearance; and

''(iii) the covered person acknowledges in a signed writing that the capacity of the covered person to perform duties under a high-risk program after the expiration of the waiver is conditional upon meeting the requirements of paragraph (1) within the effective period of the waiver;

''(B) if another Federal agency certifies to the Secretary that the covered person has completed successfully a full-scope or counterintelligence-scope polygraph examination during the 5-year period ending on the date of the certification; or

''(C) if the Secretary determines, after consultation with the covered person and appropriate medical personnel, that the treatment of a medical or psychological condition of the covered person should preclude the administration of the examination.

''(3)(A) The Secretary may not commence the exercise of the authority under paragraph (2) to waive the applicability of paragraph (1) to any covered persons until 15 days after the date on which the Secretary submits to the appropriate committees of Congress a report setting forth the criteria to be utilized by the Secretary for determining when a waiver under paragraph (2)(A) is important to the national security interests of the United States. The criteria shall include an assessment of counterintelligence risks and programmatic impacts.

''(B) Any waiver under paragraph (2)(A) shall be effective for not more than 120 days.

''(C) Any waiver under paragraph (2)(C) shall be effective for the duration of the treatment on which such waiver is based.

''(4) The Secretary shall submit to the appropriate committees of Congress on a semi-annual basis a report on any determinations made under paragraph (2)(A) during the 6-month period ending on the date of such report. The report shall include a national security justification for each waiver resulting from such determinations.

''(5) In this subsection, the term 'appropriate committees of Congress' means the following:

''(A) The Committee on Armed Services and the Select Committee on Intelligence of the Senate.

''(B) The Committee on Armed Services and the Permanent Select Committee on Intelligence of the House of Representatives.

''(6) It is the sense of Congress that the waiver authority in paragraph (2) not be used by the Secretary to exempt from the applicability of paragraph (1) any covered persons in the highest risk categories, such as persons who have access to the most sensitive weapons design information and other highly sensitive programs, including special access programs.

''(7) The authority under paragraph (2) to waive the applicability of paragraph (1) to a covered person shall expire on September 30, 2002.''.

(d) SCOPE OF COUNTERINTELLIGENCE POLYGRAPH EXAMINATION.—Subsection (f) of that section is amended—

(1) by inserting ''terrorism,'' after ''sabotage,''; and

(2) by inserting ''deliberate damage to or malicious misuse of a United States Government information or defense system,'' before ''and''.

SEC. 3155. EMPLOYEE INCENTIVES FOR EMPLOYEES AT CLOSURE PROJECT FACILITIES.

(a) AUTHORITY TO PROVIDE INCENTIVES.—Notwithstanding any other provision of law, the Secretary of Energy may provide to any eligible employee of the Department of Energy one or more of the incentives described in subsection (d).

(b) ELIGIBLE EMPLOYEES.—An individual is an eligible employee of the Department of Energy for purposes of this section if the individual—

(1) has worked continuously at a closure facility for at least two years;

(2) is an employee (as that term is defined in section 2105(a) of title 5, United States Code);

(3) has a fully satisfactory or equivalent performance rating during the most recent performance period and is not subject to an adverse notice regarding conduct; and

(4) meets any other requirement or condition under subsection (d) for the incentive which is provided the employee under this section.

(c) CLOSURE FACILITY DEFINED.—For purposes of this section, the term ''closure facility'' means a Department of Energy facility at which the Secretary is carrying out a closure project selected under section 3143 of the National Defense Authorization Act for Fiscal Year 1997 (42 U.S.C. 7274n).

(d) INCENTIVES.—The incentives that the Secretary may provide under this section are the following:

(1) The right to accumulate annual leave provided by section 6303 of title 5, United States Code, for use in succeeding years until it totals not more than 90 days, or not more than 720 hours based on a standard work week, at the beginning of the first full biweekly pay period, or corresponding period for an employee who is not paid on the basis of biweekly pay periods, occurring in a year, except that—

(A) any annual leave that remains unused when an employee transfers to a position in a department or agency of the Federal Government shall be liquidated upon the transfer by payment to the employee of a lump sum for leave in excess of 30 days, or in excess of 240 hours based on a standard work week; and

(B) upon separation from service, annual leave accumulated under this paragraph shall be treated as any other accumulated annual leave is treated.

(2) The right to be paid a retention allowance in a lump sum in compliance with paragraphs (1) and (2) of section 5754(b) of title 5, United States Code, if the employee meets the requirements of section 5754(a) of that title, except that

the retention allowance may exceed 25 percent, but may not be more than 40 percent, of the employee's rate of basic pay.

(3) A detail under section 3341 of title 5, United States Code.

(4) The right to receive a voluntary separation incentive payment in the amount equal to the amount the employee would be entitled to receive under section 5595(c) of title 5, United States Code, subject to the terms, conditions, and procedures set forth in section 663 of the Treasury, Postal Service, and General Government Appropriations Act, 1997 (5 U.S.C. 5597 note), except that the date in section 663(c)(2)(D) of that Act does not apply.

(e) AGREEMENT.—(1) An eligible employee of the Department of Energy provided an incentive under this section shall enter into an agreement with the Secretary to remain employed at the closure facility at which the employee is employed as of the date of the agreement until a specific date or for a specific period of time.

(2) The detail of an employee under subsection (d)(3) shall not be treated as terminating the employment of the employee at a closure facility for purposes of an agreement under paragraph (1).

(f) VIOLATION OF AGREEMENT.—(1) Except as provided under paragraph (3), an eligible employee of the Department of Energy who violates an agreement under subsection (e), or is dismissed for cause, shall forfeit eligibility for any incentives under this section as of the date of the violation or dismissal, as the case may be.

(2) Except as provided under paragraph (3), an eligible employee of the Department of Energy who is paid a retention allowance under subsection (d)(2), receives a voluntary separation incentive payment under subsection (d)(4), or both, and who violates an agreement under subsection (e), or is dismissed for cause, before the end of the period or date of employment agreed upon under such agreement shall refund to the United States an amount that bears the same ratio to the aggregate amount so paid to or received by the employee as the unserved part of such employment bears to the total period of employment agreed upon under such agreement.

(3) The Secretary may waive the applicability of paragraph (1) or (2) to an employee otherwise covered by such paragraph if the Secretary determines that there is good and sufficient reason for the waiver.

(g) REPORT.—The Secretary shall include in each report on a closure project under section 3143(h) of the National Defense Authorization Act for Fiscal Year 1997 a report on the incentives, if any, provided under this section with respect to the project for the period covered by such report.

(h) EXPIRATION OF AUTHORITY.—The authority to provide incentives under this section shall expire on September 23, 2011.

(i) DETAILS.—(1) Section 3341 of title 5, United States Code, is amended to read as follows:

"§3341. Details: within and among Executive agencies; to non-Federal employers

''(a) The head of an Executive agency may detail employees among the components of the agency, except employees who are required by law to be engaged exclusively in some specific work.

''(b) The head of an Executive agency may detail to duties in the Executive agency or another Executive agency or to a non-Federal employer, on a nonreimbursable basis, an employee who has been identified by the Executive agency as being, or likely to become, a surplus employee or displaced employee.

''(c) For purposes of this section:

''(1) The term 'Executive agency' has the meaning given that term by section 105, but does not include a Government corporation or the General Accounting Office.

''(2) The term 'displaced employee' means an employee who has been given specific notice that the employee is to be separated due to a reduction in force.

''(3) The term 'surplus employee' means an employee who has been identified by the employing agency as likely to be separated due to a reduction in force.

''(4) The term 'non-Federal employer' means an employer other than an Executive agency or any agency in the legislative or judicial branch (including Congress or any United States court).''.

(2) The table of sections at the beginning of chapter 33 of such title is amended by striking the item relating to section 3341 and inserting the following new item:

''3341. Details: within and among Executive agencies; to non-Federal employers.''.

(j) HEALTH COVERAGE.—Section 8905a(d)(4) of title 5, United States Code, is amended by adding after subparagraph (B) the following new subparagraph (C):

''(C) Notwithstanding subparagraph (B), if the basis for continued coverage under this section is a voluntary or involuntary separation from the Department of Energy by reason of a closure project under section 3143 of the National Defense Authorization Act for Fiscal Year 1997 (42 U.S.C. 7274n)—

''(i) the individual shall be liable for not more than the employee contributions referred to in paragraph (1)(A)(i); and

''(ii) the Department of Energy shall pay the remaining portion of the amount required is under paragraph (1)(A).''.

SEC. 3156. CONCEPTUAL DESIGN FOR SUBSURFACE GEOSCIENCES LABORATORY AT IDAHO NATIONAL ENGINEERING AND ENVIRONMENTAL LABORATORY, IDAHO FALLS, IDAHO.

(a) AUTHORIZATION.—Of the amounts authorized to be appropriated by paragraphs (2) and (3) of section 3102(a), not more than $400,000 shall be available to the Secretary of Energy for purposes of carrying out a conceptual design for a Subsurface Geosciences Laboratory at Idaho National Engineering and Environmental Laboratory, Idaho Falls, Idaho.

(b) LIMITATION.—None of the funds authorized to be appropriated by subsection (a) may be obligated until 60 days after the Secretary submits the report required by subsection (c).

(c) REPORT.—The Secretary of Energy shall submit to the congressional defense committees a report on the proposed Subsurface Geosciences Laboratory, including the following:

(1) The need to conduct mesoscale experiments to meet long-term clean-up requirements at Department of Energy sites.

(2) The possibility of utilizing or modifying an existing structure or facility to house a new mesoscale experimental capability.

(3) The estimated construction cost of the facility.

(4) The estimated annual operating cost of the facility.

(5) How the facility will utilize, integrate, and support the technical expertise, capabilities, and requirements at other Department of Energy and non-Department of Energy facilities.

(6) An analysis of costs, savings, and benefits which are unique to the Idaho National Engineering and Environmental Laboratory.

SEC. 3157. TANK WASTE REMEDIATION SYSTEM, HANFORD RESERVATION, RICHLAND, WASHINGTON.

(a) FUNDS AVAILABLE.—Of the amount authorized to be appropriated by section 3102, $150,000,000 shall be available to carry out an accelerated cleanup and waste management program at the Department of Energy Hanford Site in Richland, Washington.

(b) REPORT.—Not later than December 15, 2000, the Secretary of Energy shall submit to Congress a report on the Tank Waste Remediation System Project at the Hanford Site. The report shall include the following:

(1) A proposed plan for processing and stabilizing all nuclear waste located in the Hanford Tank Farm.

(2) A proposed schedule for carrying out the plan.

(3) The total estimated cost of carrying out the plan.

(4) A description of any alternative options to the proposed plan and a description of the costs and benefits of each such option.

SEC. 3158. REPORT ON NATIONAL IGNITION FACILITY, LAWRENCE LIVERMORE NATIONAL LABORATORY, LIVERMORE, CALIFORNIA.

(a) NEW BASELINE.—(1) Not more than 50 percent of the funds available for the national ignition facility (Project 96–D–111) may be obligated or expended until the Secretary of Energy submits to the Committees on Armed Services of the Senate and House of Representatives a report setting forth a new baseline plan for the completion of the national ignition facility.

(2) The report shall include a detailed, year-by-year breakdown of the funding required for completion of the facility, as well as projected dates for the completion of program milestones, including the date on which the first laser beams are expected to become operational.

(b) COMPTROLLER GENERAL REVIEW OF NIF PROGRAM.—(1) The Comptroller General shall conduct a thorough review of the national ignition facility program.

(2) Not later than March 31, 2001, the Comptroller General shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the review conducted under paragraph (1). The report shall include—

(A) an analysis of—

(i) the relationship of the national ignition facility program to other key components of the Stockpile Stewardship Program; and

(ii) the potential impact of delays in the national ignition facility program, and of a failure to complete key program objectives of the program, on the other key components of the Stockpile Stewardship Program, such as the Advanced Strategic Computing Initiative Program;

(B) a detailed description and analysis of the funds spent as of the date of the report on the national ignition facility program; and

(C) an assessment whether Lawrence Livermore National Laboratory has established a new baseline plan for the national ignition facility program with clear goals and achievable milestones for that program.

Subtitle E—National Laboratories Partnership Improvement Act

SEC. 3161. SHORT TITLE.

This subtitle may be cited as the ''National Laboratories Partnership Improvement Act of 2000''.

SEC. 3162. DEFINITIONS.

For purposes of this subtitle—

(1) the term ''Department'' means the Department of Energy;

(2) the term ''departmental mission'' means any of the functions vested in the Secretary of Energy by the Department of Energy Organization Act (42 U.S.C. 7101 et seq.) or other law;

(3) the term ''institution of higher education'' has the meaning given such term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a));

(4) the term ''National Laboratory'' means any of the following institutions owned by the Department of Energy—

(A) Argonne National Laboratory;

(B) Brookhaven National Laboratory;

(C) Idaho National Engineering and Environmental Laboratory;

(D) Lawrence Berkeley National Laboratory;

(E) Lawrence Livermore National Laboratory;

(F) Los Alamos National Laboratory;

(G) National Renewable Energy Laboratory;

(H) Oak Ridge National Laboratory;

(I) Pacific Northwest National Laboratory; or

(J) Sandia National Laboratory;

(5) the term ''facility'' means any of the following institutions owned by the Department of Energy—

(A) Ames Laboratory;
(B) East Tennessee Technology Park;
(C) Environmental Measurement Laboratory;
(D) Fermi National Accelerator Laboratory;
(E) Kansas City Plant;
(F) National Energy Technology Laboratory;
(G) Nevada Test Site;
(H) Princeton Plasma Physics Laboratory;
(I) Savannah River Technology Center;
(J) Stanford Linear Accelerator Center;
(K) Thomas Jefferson National Accelerator Facility;
(L) Waste Isolation Pilot Plant;
(M) Y–12 facility at Oak Ridge National Laboratory; or
(N) other similar organization of the Department designated by the Secretary that engages in technology transfer, partnering, or licensing activities;

(6) the term ''nonprofit institution'' has the meaning given such term in section 4 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3703(5));

(7) the term ''Secretary'' means the Secretary of Energy;

(8) the term ''small business concern'' has the meaning given such term in section 3 of the Small Business Act (15 U.S.C. 632);

(9) the term ''technology-related business concern'' means a for-profit corporation, company, association, firm, partnership, or small business concern that—
(A) conducts scientific or engineering research,
(B) develops new technologies,
(C) manufactures products based on new technologies, or
(D) performs technological services;

(10) the term ''technology cluster'' means a concentration of—
(A) technology-related business concerns;
(B) institutions of higher education; or
(C) other nonprofit institutions;
that reinforce each other's performance through formal or informal relationships;

(11) the term ''socially and economically disadvantaged small business concerns'' has the meaning given such term in section 8(a)(4) of the Small Business Act (15 U.S.C. 637(a)(4)); and

(12) the term ''NNSA'' means the National Nuclear Security Administration established by title XXXII of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65).

SEC. 3163. TECHNOLOGY INFRASTRUCTURE PILOT PROGRAM.

(a) ESTABLISHMENT.—The Secretary, through the appropriate officials of the Department, shall establish a Technology Infrastructure Pilot Program in accordance with this section.

(b) PURPOSE.—The purpose of the program shall be to improve the ability of National Laboratories or facilities to support departmental missions by—

(1) stimulating the development of technology clusters that can support the missions of the National Laboratories or facilities;

(2) improving the ability of National Laboratories or facilities to leverage and benefit from commercial research, technology, products, processes, and services; and

(3) encouraging the exchange of scientific and technological expertise between National Laboratories or facilities and—
(A) institutions of higher education,
(B) technology-related business concerns,
(C) nonprofit institutions, and
(D) agencies of State, tribal, or local governments;
that can support the missions of the National Laboratories and facilities.

(c) PILOT PROGRAM.—In each of the first three fiscal years after the date of enactment of this section, the Secretary may provide no more than $10,000,000, divided equally, among no more than 10 National Laboratories or facilities selected by the Secretary to conduct Technology Infrastructure Program Pilot Programs.

(d) PROJECTS.—The Secretary shall authorize the Director of each National Laboratory or facility designated under subsection (c) to implement the Technology Infrastructure Pilot Program at such National Laboratory or facility through projects that meet the requirements of subsections (e) and (f).

(e) PROGRAM REQUIREMENTS.—Each project funded under this section shall meet the following requirements:

(1) MINIMUM PARTICIPANTS.—Each project shall at a minimum include—
(A) a National Laboratory or facility; and
(B) one of the following entities—
(i) a business,
(ii) an institution of higher education,
(iii) a nonprofit institution, or
(iv) an agency of a State, local, or tribal government.

(2) COST SHARING.—
(A) MINIMUM AMOUNT.—Not less than 50 percent of the costs of each project funded under this section shall be provided from non-Federal sources.
(B) QUALIFIED FUNDING AND RESOURCES.—(i) The calculation of costs paid by the non-Federal sources to a project shall include cash, personnel, services, equipment, and other resources expended on the project.
(ii) Independent research and development expenses of Government contractors that qualify for reimbursement under section 31–205–18(e) of the Federal Acquisition Regulations issued pursuant to section 25(c)(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(c)(1)) may be credited towards costs paid by non-Federal sources to a project, if the expenses meet the other requirements of this section.
(iii) No funds or other resources expended either before the start of a project under this section or outside the project's scope of work shall be credited toward the costs paid by the non-Federal sources to the project.

(3) COMPETITIVE SELECTION.—All projects where a party other than the Department or a National Laboratory or facility receives funding under this section shall, to the extent practicable, be competitively selected by the National Laboratory or facility using procedures determined to be appropriate by the Secretary or his designee.

(4) ACCOUNTING STANDARDS.—Any participant receiving funding under this section, other than a National Laboratory or facility, may use generally accepted accounting principles for maintaining accounts, books, and records relating to the project.

(5) LIMITATIONS.—No Federal funds shall be made available under this section for—
(A) construction; or
(B) any project for more than five years.

(f) SELECTION CRITERIA.—

(1) THRESHOLD FUNDING CRITERIA.—The Secretary shall authorize the provision of Federal funds for projects under this section only when the Director of the National Laboratory or facility managing such a project determines that the project is likely to improve the participating National Laboratory or facility's ability to achieve technical success in meeting departmental missions.

(2) ADDITIONAL CRITERIA.—The Secretary shall also require the Director of the National Laboratory or facility managing a project under this section to consider the following criteria in selecting a project to receive Federal funds—
(A) the potential of the project to succeed, based on its technical merit, team members, management approach, resources, and project plan;
(B) the potential of the project to promote the development of a commercially sustainable technology cluster, one that will derive most of the demand for its products or services from the private sector, that can support the missions of the participating National Laboratory or facility;
(C) the potential of the project to promote the use of commercial research, technology, products, processes, and services by the participating National Laboratory or facility to achieve its departmental mission or the commercial development of technological innovations made at the participating National Laboratory or facility;
(D) the commitment shown by non-Federal organizations to the project, based primarily on the nature and amount of the financial and other resources they will risk on the project;
(E) the extent to which the project involves a wide variety and number of institutions of higher education, nonprofit institutions, and technology-related business concerns that can support the missions of the participating National Laboratory or facility and that will make substantive contributions to achieving the goals of the project;
(F) the extent of participation in the project by agencies of State, tribal, or local governments that will make substantive contributions to achieving the goals of the project; and
(G) the extent to which the project focuses on promoting the development of technology-related business concerns that are small business concerns or involves such small business concerns substantively in the project.

(3) SAVINGS CLAUSE.—Nothing in this subsection shall limit the Secretary from requiring the consideration of other criteria, as appropriate, in determining whether projects should be funded under this section.

(g) REPORT TO CONGRESS ON FULL IMPLEMENTATION.—Not later than 120 days after the start of the third fiscal year after the date of enactment of this section, the Secretary shall report to Congress on whether the Technology Infrastructure Program should be continued beyond the pilot stage, and, if so, how the fully implemented program should be managed. This report shall take into consideration the results of the pilot program to date and the views of the relevant Directors of the National laboratories and facilities. The report shall include any proposals for legislation considered necessary by the Secretary to fully implement the program.

SEC. 3164. SMALL BUSINESS ADVOCACY AND ASSISTANCE.

(a) ADVOCACY FUNCTION.—The Secretary shall direct the Director of each National Laboratory, and may direct the Director of each facility the Secretary determines to be appropriate, to establish a small business advocacy function that is organizationally independent of the procurement function at the National Laboratory or facility. The person or office vested with the small business advocacy function shall—

(1) work to increase the participation of small business concerns, including socially and economically disadvantaged small business concerns, in procurements, collaborative research, technology licensing, and technology transfer activities conducted by the National Laboratory or facility;

(2) report to the Director of the National Laboratory or facility on the actual participation of small business concerns in procurements and collaborative research along with recommendations, if appropriate, on how to improve participation;

(3) make available to small business concerns training, mentoring, and clear, up-to-date information on how to participate in the procurements and collaborative research, including how to submit effective proposals;

(4) increase the awareness inside the National Laboratory or facility of the capabilities and opportunities presented by small business concerns; and

(5) establish guidelines for the program under subsection (b) and report on the effectiveness of such program to the Director of the National Laboratory or facility.

(b) ESTABLISHMENT OF SMALL BUSINESS ASSISTANCE PROGRAM.—The Secretary shall direct the Director of each National Laboratory, and may direct the Director of each facility the Secretary determines to be appropriate, to establish a program to provide small business concerns—

(1) assistance directed at making them more effective and efficient subcontractors or suppliers to the National Laboratory or facility; or

(2) general technical assistance, the cost of which shall not exceed $10,000 per instance of assistance, to improve the small business concern's products or services.

(c) USE OF FUNDS.—None of the funds expended under subsection (b) may be used for direct grants to the small business concerns.

SEC. 3165. TECHNOLOGY PARTNERSHIPS OMBUDSMAN.

(a) APPOINTMENT OF OMBUDSMAN.—The Secretary shall direct the Director of each National Laboratory, and may direct the Director of each facility the Secretary determines to be appropriate, to appoint a technology partnership ombudsman to hear and help resolve complaints from outside organizations regarding each laboratory's policies and actions with respect to technology partnerships (including cooperative research and development agreements), patents, and technology licensing. Each ombudsman shall—

(1) be a senior official of the National Laboratory or facility who is not involved in day-to-day technology partnerships, patents, or technology licensing, or, if appointed from outside the laboratory, function as such a senior official; and

(2) have direct access to the Director of the National Laboratory or facility.

(b) DUTIES.—Each ombudsman shall—

(1) serve as the focal point for assisting the public and industry in resolving complaints and disputes with the laboratory regarding technology partnerships, patents, and technology licensing;

(2) promote the use of collaborative alternative dispute resolution techniques such as mediation to facilitate the speedy and low-cost resolution of complaints and disputes, when appropriate; and

(3) report, through the Director of the National Laboratory or facility, to the Department annually on the number and nature of complaints and disputes raised, along with the ombudsman's assessment of their resolution, consistent with the protection of confidential and sensitive information.

(c) DUAL APPOINTMENT.—A person vested with the small business advocacy function of section 3164 may also serve as the technology partnership ombudsman.

SEC. 3166. STUDIES RELATED TO IMPROVING MISSION EFFECTIVENESS, PARTNERSHIPS, AND TECHNOLOGY TRANSFER AT NATIONAL LABORATORIES.

(a) STUDIES.—The Secretary shall direct the Laboratory Operations Board to study and report to him, not later than one year after the date of enactment of this section, on the following topics—

(1) the possible benefits from and need for policies and procedures to facilitate the transfer of scientific, technical, and professional personnel among National Laboratories and facilities; and

(2) the possible benefits from and need for changes in—

(A) the indemnification requirements for patents or other intellectual property licensed from a National Laboratory or facility;

(B) the royalty and fee schedules and types of compensation that may be used for patents or other intellectual property licensed to a small business concern from a National Laboratory or facility;

(C) the licensing procedures and requirements for patents and other intellectual property;

(D) the rights given to a small business concern that has licensed a patent or other intellectual property from a National Laboratory or facility to bring suit against third parties infringing such intellectual property;

(E) the advance funding requirements for a small business concern funding a project at a National Laboratory or facility through a Funds-In-Agreement;

(F) the intellectual property rights allocated to a business when it is funding a project at a National Laboratory or facility through a Funds-In-Agreement; and

(G) policies on royalty payments to inventors employed by a contractor-operated National Laboratory or facility, including those for inventions made under a Funds-In-Agreement.

(b) DEFINITION.—For the purposes of this section, the term ''Funds-in-Agreement'' means a contract between the Department and a non-Federal organization where that organization pays the Department to provide a service or material not otherwise available in the domestic private sector.

(c) REPORT TO CONGRESS.—Not later than one month after receiving the report under subsection (a), the Secretary shall transmit the report, along with his recommendations for action and proposals for legislation to implement the recommendations, to Congress.

SEC. 3167. OTHER TRANSACTIONS AUTHORITY.

(a) NEW AUTHORITY.—Section 646 of the Department of Energy Organization Act (42 U.S.C. 7256) is amended by adding at the end the following new subsection:

''(g) OTHER TRANSACTIONS AUTHORITY.—(1) In addition to other authorities granted to the Secretary to enter into procurement contracts, leases, cooperative agreements, grants, and other similar arrangements, the Secretary may enter into other transactions with public agencies, private organizations, or persons on such terms as the Secretary may deem appropriate in furtherance of basic, applied, and advanced research functions now or hereafter vested in the Secretary. Such other transactions shall not be subject to the provisions of section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5908).

''(2)(A) The Secretary of Energy shall ensure that—

''(i) to the maximum extent practicable, no transaction entered into under paragraph (1) provides for research that duplicates research being conducted under existing programs carried out by the Department of Energy; and

''(ii) to the extent that the Secretary determines practicable, the funds provided by the Government under a transaction authorized by paragraph (1) do not exceed the total amount provided by other parties to the transaction.

''(B) A transaction authorized by paragraph (1) may be used for a research project when the use of a standard contract, grant, or cooperative agreement for such project is not feasible or appropriate.

''(3)(A) The Secretary shall not disclose any trade secret or commercial or financial information submitted by a non-Federal entity under paragraph (1) that is privileged and confidential.

''(B) The Secretary shall not disclose, for five years after the date the information is received, any other information submitted by a non-Federal entity under paragraph (1), including any proposal, proposal abstract, document supporting a proposal, business plan, or technical information that is privileged and confidential.

''(C) The Secretary may protect from disclosure, for up to five years, any information developed pursuant to a transaction under paragraph (1) that would be protected from disclosure under section 552(b)(4) of title 5, United States Code, if obtained from a person other than a Federal agency.''.

(b) IMPLEMENTATION.—Not later than six months after the date of enactment of this section, the Department shall establish guidelines for the use of other transactions. Other transactions shall be made available, if needed, in order to implement projects funded under section 3163.

SEC. 3168. CONFORMANCE WITH NNSA ORGANIZATIONAL STRUCTURE.

All actions taken by the Secretary in carrying out this subtitle with respect to National Laboratories and facilities that are part of the NNSA shall be through the Administrator for Nuclear Security in accordance with the requirements of title XXXII of the National Defense Authorization Act for Fiscal Year 2000.

SEC. 3169. ARCTIC ENERGY.

(a) ESTABLISHMENT.—There is hereby established within the Department of Energy an Office of Arctic Energy.

(b) PURPOSE.—The purposes of the Office of Arctic Energy are—

(1) to promote research, development and deployment of electric power technology that is cost-effective and especially well suited to meet the needs of rural and remote regions of the United States, especially where permafrost is present or located nearby; and

(2) to promote research, development and deployment in such regions of—

(A) enhanced oil recovery technology, including heavy oil recovery, reinjection of carbon and extended reach drilling technologies;

(B) gas-to-liquids technology and liquified natural gas (including associated transportation systems);

(C) small hydroelectric facilities, river turbines and tidal power;

(D) natural gas hydrates, coal bed methane, and shallow bed natural gas; and

(E) alternative energy, including wind, geothermal, and fuel cells.

(c) LOCATION.—The Secretary shall locate the Office of Arctic Energy at a university with special expertise and unique experience in the matters specified in paragraphs (1) and (2) of subsection (b).

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out activities under this section $1,000,000 for the first fiscal year after the date of enactment of this section.

Subtitle F—Other Matters

SEC. 3171. EXTENSION OF AUTHORITY FOR APPOINTMENT OF CERTAIN SCIENTIFIC, ENGINEERING, AND TECHNICAL PERSONNEL.

Section 3161(c)(1) of the National Defense Authorization Act for Fiscal Year 1995 (42 U.S.C. 7231 note) is amended by striking ''September 30, 2000'' and inserting ''September 30, 2002''.

SEC. 3172. UPDATES OF REPORT ON NUCLEAR TEST READINESS POSTURES.

Section 3152 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 623) is amended—

(1) by inserting ''(a) REPORT.—'' before ''Not later than February 15, 1996,''; and

(2) by adding at the end the following:

''(b) BIENNIAL UPDATES OF REPORT.—(1) The Secretary shall submit to the congressional defense committees an update of the report required under (a) not later than February 15, 2001, and every two years thereafter.

''(2) Each update under paragraph (1) shall include, current as of the date of such update, the following:

''(A) A list and description of the workforce skills and capabilities that are essential to carry out underground nuclear tests at the Nevada Test Site.

''(B) A list and description of the infrastructure and physical plant that are essential to carry out underground nuclear tests at the Nevada Test Site.

''(C) A description of the readiness status of the skills and capabilities described in subparagraph (A) and of the infrastructure and physical plant described in subparagraph (B).

''(3) Each update under paragraph (1) shall be submitted in unclassified form, but may include a classified annex.''.

SEC. 3173. FREQUENCY OF REPORTS ON INADVERTENT RELEASES OF RESTRICTED DATA AND FORMERLY RESTRICTED DATA.

(a) FREQUENCY OF REPORTS.—Section 3161(f)(2) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999

(Public Law 105–261; 112 Stat. 2261; 50 U.S.C. 435 note) is amended to read as follows:

''(2) The Secretary of Energy shall, on a quarterly basis, notify the committees and Assistant to the President specified in subsection (d) of inadvertent releases described in paragraph (1) that are discovered after the date of the enactment of this Act.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act and shall apply with respect to inadvertent releases of Restricted Data and Formerly Restricted Data that are discovered on or after that date.

SEC. 3174. FORM OF CERTIFICATIONS REGARDING THE SAFETY OR RELIABILITY OF THE NUCLEAR WEAPONS STOCKPILE.

Any certification submitted to the President by the Secretary of Defense or the Secretary of Energy regarding confidence in the safety or reliability of a nuclear weapon type in the United States nuclear weapons stockpile shall be submitted in classified form only.

SEC. 3175. ENGINEERING AND MANUFACTURING RESEARCH, DEVELOPMENT, AND DEMONSTRATION BY PLANT MANAGERS OF CERTAIN NUCLEAR WEAPONS PRODUCTION PLANTS.

(a) AUTHORITY.—The Secretary of Energy may authorize the plant manager of a covered nuclear weapons production plant to engage in research, development, and demonstration activities with respect to the engineering and manufacturing capabilities at such plant in order to maintain and enhance such capabilities at such plant.

(b) FUNDING.—Of the amount allocated by the Secretary to a covered nuclear weapons production plant each fiscal year from amounts available to the Department of Energy for such fiscal year for national security programs, not more than an amount equal to 2 percent of such amount may be used for activities authorized under subsection (a).

(c) COVERED NUCLEAR WEAPONS PRODUCTION PLANTS.—For purposes of this section, the term ''covered nuclear weapons production plant'' means the following:

(1) The Kansas City Plant, Kansas City, Missouri.

(2) The Y–12 Plant, Oak Ridge, Tennessee.

(3) The Pantex Plant, Amarillo, Texas.

SEC. 3176. COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS FOR GOVERNMENT-OWNED, CONTRACTOR-OPERATED LABORATORIES.

(a) STRATEGIC PLANS.—Subsection (a) of section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a) is amended by striking ''joint work statement,'' and inserting ''joint work statement or, if permitted by the agency, in an agency-approved annual strategic plan,''.

(b) EXPERIMENTAL FEDERAL WAIVERS.—Subsection (b) of that section is amended by adding at the end the following new paragraph:

''(6)(A) In the case of a Department of Energy laboratory, a designated official of the Department of Energy may waive any license retained by the Government under paragraph (1)(A), (2), or (3)(D), in whole or in part and according to negotiated terms and conditions, if the designated official finds that the retention of the license by the Department of Energy would substantially inhibit the commercialization of an invention that would otherwise serve an important Federal mission.

''(B) The authority to grant a waiver under subparagraph (A) shall expire on the date that is 5 years after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2001.

''(C) The expiration under subparagraph (B) of authority to grant a waiver under subparagraph (A) shall not effect any waiver granted under subparagraph (A) before the expiration of such authority.''.

(c) TIME REQUIRED FOR APPROVAL.—Subsection (c)(5) of that section is amended—

(1) by striking subparagraph (C);

(2) by redesignating subparagraph (D) as subparagraph (C); and

(3) in subparagraph (C), as so redesignated—

(A) in clause (i)—

(i) by striking ''with a small business firm''; and

(ii) by inserting ''if'' after ''statement''; and

(B) by adding at the end the following new clauses:

''(iv) Any agency that has contracted with a non-Federal entity to operate a laboratory may develop and provide to such laboratory one or more model cooperative research and development agreements for purposes of standardizing practices and procedures, resolving common legal issues, and enabling review of cooperative research and development agreements to be carried out in a routine and prompt manner.

''(v) A Federal agency may waive the requirements of clause (i) or (ii) under such circumstances as the agency considers appropriate.''.

SEC. 3177. COMMENDATION OF DEPARTMENT OF ENERGY AND CONTRACTOR EMPLOYEES FOR EXEMPLARY SERVICE IN STOCKPILE STEWARDSHIP AND SECURITY.

(a) AUTHORITY TO PRESENT CERTIFICATE OF COMMENDATION.—The Secretary of Energy may present a certificate of commendation to any current or former employee of the Department of Energy, and any current or former employee of a Department contractor, whose service to the Department in matters relating to stockpile stewardship and security assisted the Department in furthering the national security interests of the United States.

(b) CERTIFICATE.—The certificate of commendation presented to a current or former employee under subsection (a) shall include an appropriate citation of the service of the current or former employee described in that subsection, including a citation for dedication, intellect, and sacrifice in furthering the national security interests of the United States by maintaining a strong, safe, and viable United States nuclear deterrent during the Cold War or thereafter.

(c) DEPARTMENT OF ENERGY DEFINED.—For purposes of this section, the term ''Department of Energy'' includes any predecessor agency of the Department of Energy.

SEC. 3178. ADJUSTMENT OF THRESHOLD REQUIREMENT FOR SUBMISSION OF REPORTS ON ADVANCED COMPUTER SALES TO TIER III FOREIGN COUNTRIES.

Section 3157 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2045) is amended by adding at the end the following:

''(e) ADJUSTMENT OF PERFORMANCE LEVELS.—Whenever a new composite theoretical performance level is established under section 1211(d), that level shall apply for purposes of subsection (a) of this section in lieu of the level set forth in subsection (a).''.

Subtitle G—Russian Nuclear Complex Conversion

SEC. 3191. SHORT TITLE.

This subtitle may be cited as the ''Russian Nuclear Weapons Complex Conversion Act of 2000''.

SEC. 3192. FINDINGS.

Congress makes the following findings:

(1) The Russian nuclear weapons complex has begun closure and complete reconfiguration of certain weapons complex plants and productions lines. However, this work is at an early stage. The major impediments to downsizing have been economic and social conditions in Russia. Little information about this complex is shared, and 10 of its most sensitive cities remain closed. These cities house 750,000 people and employ approximately 150,000 people in nuclear military facilities. Although the Russian Federation Ministry of Atomic Energy has announced the need to significantly downsize its workforce, perhaps by as much as 50 percent, it has been very slow in accomplishing this goal. Information on the extent of any progress is very closely held.

(2) The United States, on the other hand, has significantly downsized its nuclear weapons complex in an open and transparent manner. As a result, an enormous asymmetry now exists between the United States and Russia in nuclear weapon production capacities and in transparency of such capacities. It is in the national security interest of the United States to assist the Russian Federation in accomplishing significant reductions in its nuclear military complex and in helping it to protect its nuclear weapons, nuclear materials, and nuclear secrets during such reductions. Such assistance will accomplish critical nonproliferation objectives and provide essential support towards future arms reduction agreements. The Russian Federation's program to close and reconfigure weapons complex plants and production lines will address, if it is implemented in a significant and transparent manner, concerns about the Russian Federation's ability to quickly reconstitute its arsenal.

(3) Several current programs address portions of the downsizing and nuclear security concerns. The Nuclear Cities Initiative was established to assist Russia in creating job opportunities for employees who are not required to support realistic Russian nuclear security requirements. Its focus has been on creating commercial ventures that can provide self-sustaining jobs in three of the closed cities. The current scope and funding of the program are not commensurate with the scale of the threats to the United States sought to be addressed by the program.

(4) To effectively address threats to United States national security interests, progress with respect to the nuclear cities must be expanded and accelerated. The Nuclear Cities Initiative has laid the groundwork for an immediate increase in investment which offers the potential for prompt risk reduction in the cities of Sarov, Snezhinsk, and Zheleznogorsk, which house four key Russian nuclear facilities. Furthermore, the Nuclear Cities Initiative has made considerable progress with the limited funding available. However, to gain sufficient advocacy for additional support, the program must demonstrate—

(A) rapid progress in conversion and restructuring; and

(B) an ability for the United States to track progress against verifiable milestones that support a Russian nuclear complex consistent with their future national security requirements.

(5) Reductions in the nuclear weapons-grade material stocks in the United States and Russia enhance prospects for future arms control agreements and reduce concerns that these materials could lead to proliferation risks. Confidence in both nations will be enhanced by knowledge of the extent of each nation's stockpiles of weapons-grade materials. The United States already makes this information public.

(6) Many current programs contribute to the goals stated herein. However, the lack of programmatic coordination within and among United States Government agencies impedes the capability of the United States to make rapid progress. A formal single point of coordination is essential to ensure that all United States programs directed at cooperative threat reduction, nuclear materials reduction and protection, and the downsizing, transparency, and nonproliferation of the nuclear weapons complex effectively mitigate the risks inherent in the Russian Federation's military complex.

(7) Specialists in the United States and the former Soviet Union trained in nonproliferation studies can significantly assist in the downsizing process while minimizing the threat presented by potential proliferation of weapons materials or expertise.

SEC. 3193. EXPANSION AND ENHANCEMENT OF NUCLEAR CITIES INITIATIVE.

(a) IN GENERAL.—The Secretary of Energy shall, in accordance with the provisions of this section, take appropriate actions to expand and enhance the activities under the Nuclear Cities Initiative in order to—

(1) assist the Russian Federation in the downsizing of the Russian Nuclear Complex; and

(2) coordinate the downsizing of the Russian Nuclear Complex under the Initiative with other United States nonproliferation programs.

(b) ENHANCED USE OF MINATOM TECHNOLOGY AND RESEARCH AND DEVELOPMENT SERVICES.—In carrying out actions under this section, the Secretary of Energy shall facilitate the enhanced use of the technology, and the research and development services, of the Russia Ministry of Atomic Energy (MINATOM) by—

(1) fostering the commercialization of peaceful, non-threatening advanced technologies of the Ministry through the development of projects to commercialize research and development services for industry and industrial entities; and

(2) authorizing the Department of Energy, and encouraging other departments and agencies of the United States Government, to utilize such research and development services for activities appropriate to the mission of the Department, and such departments and agencies, including activities relating to—

(A) nonproliferation (including the detection and identification of weapons of mass destruction and verification of treaty compliance);

(B) global energy and environmental matters; and

(C) basic scientific research of benefit to the United States.

(c) ACCELERATION OF NUCLEAR CITIES INITIATIVE.—(1) In carrying out actions under this section, the Secretary of Energy shall accelerate the Nuclear Cities Initiative by implementing, as soon as practicable after the date of the enactment of this Act, programs at the nuclear cities referred to in paragraph (2) in order to convert significant portions of the activities carried out at such nuclear cities from military activities to civilian activities.

(2) The nuclear cities referred to in this paragraph are the following:

(A) Sarov (Arzamas–16).

(B) Snezhinsk (Chelyabinsk–70).

(C) Zheleznogorsk (Krasnoyarsk–26).

(3) To advance nonproliferation and arms control objectives, the Nuclear Cities Initiative is encouraged to begin planning for accelerated conversion, commensurate with available resources, in the remaining nuclear cities.

(4) Before implementing a program under paragraph (1), the Secretary shall establish appropriate, measurable milestones for the activities to be carried out in fiscal year 2001.

(d) PLAN FOR RESTRUCTURING THE RUSSIAN NUCLEAR COMPLEX.—(1) The President, acting through the Secretary of Energy, is urged to enter into negotiations with the Russian Federation for purposes of the development by the Russian Federation of a plan to restructure the Russian Nuclear Complex in order to meet changes in the national security requirements of Russia by 2010.

(2) The plan under paragraph (1) should include the following:

(A) Mechanisms to achieve a nuclear weapons production capacity in Russia that is consistent with the obligations of Russia under current and future arms control agreements.

(B) Mechanisms to increase transparency regarding the restructuring of the nuclear weapons complex and weapons-surplus nuclear materials inventories in Russia to the levels of transparency for such matters in the United States, including the participation of Department of Energy officials with expertise in transparency of such matters.

(C) Measurable milestones that will permit the United States and the Russian Federation to monitor progress under the plan.

(e) ENCOURAGEMENT OF CAREERS IN NONPROLIFERATION.—(1) In carrying out actions under this section, the Secretary of Energy shall carry out a program to encourage students in the United States and in the Russian Federation to pursue a career in an area relating to nonproliferation.

(2) Of the amounts under subsection (f), up to $2,000,000 shall be available for purposes of the program under paragraph (1).

(f) FUNDING FOR FISCAL YEAR 2001.—(1) There is hereby authorized to be appropriated for the Department of Energy for fiscal year 2001, $30,000,000 for purposes of the Nuclear Cities Initiative, including activities under this section.

(2) The amount authorized to be appropriated by section 101(5) for other procurement for the Army is hereby reduced by $12,500,000, with the amount of the reduction to be allocated to the Close Combat Tactical Trainer.

(g) LIMITATION ON AVAILABILITY OF FUNDS FOR NUCLEAR CITIES INITIATIVE.—No amount in excess of $17,500,000 authorized to be appropriated for the Department of Energy for fiscal year 2001 for the Nuclear Cities Initiative may be obligated or expended for purposes of providing assistance under the Initiative until 30 days after the date on which the Secretary of Energy submits to the Committees on Armed Services of the Senate and House of Representatives the following:

(1) A copy of the written agreement between the United States Government and the Government of the Russian Federation which provides that Russia will close some of its facilities engaged in nuclear weapons assembly and disassembly work within five years in exchange for participation in the Initiative.

(2) A certification by the Secretary that—

(A) project review procedures for all projects under the Initiative have been established and implemented; and

(B) such procedures will ensure that any scientific, technical, or commercial project initiated under the Initiative—

(i) will not enhance the military or weapons of mass destruction capabilities of Russia;

(ii) will not result in the inadvertent transfer or utilization of products or activities under such project for military purposes;

(iii) will be commercially viable within three years of the date of the certification; and

(iv) will be carried out in conjunction with an appropriate commercial, industrial, or other nonprofit entity as partner.

(3) A report setting forth the following:

(A) The project review procedures referred to in paragraph (2)(A).

(B) A list of the projects under the Initiative that have been reviewed under such project review procedures.

(C) A description for each project listed under subparagraph (B) of the purpose, life-cycle, out-year budget costs, participants, commercial viability, expected time for income generation, and number of Russian jobs created.

(h) SENSE OF CONGRESS ON FUNDING FOR FISCAL YEARS AFTER FISCAL YEAR 2001.—It is the sense of Congress that the availability of funds for the Nuclear Cities Initiative in fiscal years after fiscal year 2001 should be contingent upon—

(1) demonstrable progress in the programs carried out under subsection (c), as determined utilizing the milestones required under paragraph (4) of that subsection; and

(2) the development and implementation of the plan required by subsection (d).

SEC. 3194. SENSE OF CONGRESS ON THE ESTABLISHMENT OF A NATIONAL COORDINATOR FOR NONPROLIFERATION MATTERS.

It is the sense of Congress that—

(1) there should be a National Coordinator for Nonproliferation Matters to coordinate—

(A) the Nuclear Cities Initiative;

(B) the Initiatives for Proliferation Prevention program;

(C) the Cooperative Threat Reduction programs;

(D) the materials protection, control, and accounting programs; and

(E) the International Science and Technology Center; and

(2) the position of National Coordinator for Nonproliferation Matters should be similar, regarding nonproliferation matters, to the position filled by designation of the President under section 1441(a) of the Defense Against Weapons of Mass Destruction Act of 1996 (title XIV of Public Law 104–201; 110 Stat. 2727; 50 U.S.C. 2351(a)).

SEC. 3195. DEFINITIONS.

In this subtitle:

(1) NUCLEAR CITY.—The term ''nuclear city'' means any of the closed nuclear cities within the complex of the Russia Ministry of Atomic Energy (MINATOM) as follows:

(A) Sarov (Arzamas–16).

(B) Zarechnyy (Penza–19).

(C) Novoural'sk (Sverdlovsk–44).

(D) Lesnoy (Sverdlovsk–45).

(E) Ozersk (Chelyabinsk–65).

(F) Snezhinsk (Chelyabinsk–70).

(G) Trechgornyy (Zlatoust–36).

(H) Seversk (Tomsk–7).

(I) Zhelenznogorsk (Krasnoyarsk–26).

(J) Zelenogorsk (Krasnoyarsk–45).

(2) RUSSIAN NUCLEAR COMPLEX.—The term ''Russian Nuclear Complex'' refers to all of the nuclear cities.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. DEFENSE NUCLEAR FACILITIES SAFETY BOARD.

There are authorized to be appropriated for fiscal year 2001, $18,500,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NAVAL PETROLEUM RESERVES

SEC. 3301. MINIMUM PRICE OF PETROLEUM SOLD FROM THE NAVAL PETROLEUM RESERVES.

(a) HIGHER MINIMUM PRICE.—Subparagraph (A) of section 7430(b)(2) of title 10, United States Code, is amended by striking ''90 percent of''.

(b) INAPPLICABILITY OF REQUIREMENT TO RESERVE NUMBERED 1.—Such section 7430(b)(2) is further amended by striking ''Naval Petroleum Reserves Numbered 1, 2, and 3'' in the matter preceding subparagraph (A) and inserting ''Naval Petroleum Reserves Numbered 2 and 3''.

SEC. 3302. REPEAL OF AUTHORITY TO CONTRACT FOR COOPERATIVE OR UNIT PLANS AFFECTING NAVAL PETROLEUM RESERVE NUMBERED 1.

(a) REPEAL.—Section 7426 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 641 of such title is amended by striking the item relating to section 7426.

SEC. 3303. LAND TRANSFER AND RESTORATION.

(a) SHORT TITLE.—This section may be cited as the ''Ute-Moab Land Restoration Act''.

(b) TRANSFER OF OIL SHALE RESERVE.—Section 3405 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (10 U.S.C. 7420 note; Public Law 105–261) is amended to read as follows:

''SEC. 3405. TRANSFER OF OIL SHALE RESERVE NUMBERED 2.

''(a) DEFINITIONS.—In this section:

''(1) MAP.—The term ''map'' means the map depicting the boundaries of NOSR–2, to be kept on file and available for public inspection in the offices of the Department of the Interior.

''(2) MOAB SITE.—The term 'Moab site' means the Moab uranium milling site located approximately 3 miles northwest of Moab, Utah, and identified in the Final Environmental Impact Statement issued by the Nuclear Regulatory

Commission in March 1996, in conjunction with Source Material License No. SUA 917.

''(3) NOSR–2.—The term 'NOSR–2' means Oil Shale Reserve Numbered 2, as identified on a map on file in the Office of the Secretary of the Interior.

''(4) TRIBE.—The term 'Tribe' means the Ute Indian Tribe of the Uintah and Ouray Indian Reservation.

''(b) CONVEYANCE.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the United States conveys to the Tribe, subject to valid existing rights in effect on the day before the date of enactment of this section, all Federal land within the exterior boundaries of NOSR–2 in fee simple (including surface and mineral rights).

''(2) RESERVATIONS.—The conveyance under paragraph (1) shall not include the following reservations of the United States:

''(A) A 9 percent royalty interest in the value of any oil, gas, other hydrocarbons, and all other minerals from the conveyed land that are produced, saved, and sold, the payments for which shall be made by the Tribe or its designee to the Secretary of Energy during the period that the oil, gas, hydrocarbons, or minerals are being produced, saved, sold, or extracted.

''(B) The portion of the bed of Green River contained entirely within NOSR–2, as depicted on the map.

''(C) The land (including surface and mineral rights) to the west of the Green River within NOSR–2, as depicted on the map.

''(D) A ¼ mile scenic easement on the east side of the Green River within NOSR–2.

''(3) CONDITIONS.—

''(A) MANAGEMENT AUTHORITY.—On completion of the conveyance under paragraph (1), the United States relinquishes all management authority over the conveyed land (including tribal activities conducted on the land).

''(B) NO REVERSION.—The land conveyed to the Tribe under this subsection shall not revert to the United States for management in trust status.

''(C) USE OF EASEMENT.—The reservation of the easement under paragraph (2)(D) shall not affect the right of the Tribe to obtain, use, and maintain access to, the Green River through the use of the road within the easement, as depicted on the map.

''(c) WITHDRAWALS.—Each withdrawal that applies to NOSR–2 and that is in effect on the date of enactment of this section is revoked to the extent that the withdrawal applies to NOSR–2.

''(d) ADMINISTRATION OF RESERVED LAND AND INTERESTS IN LAND.—

''(1) IN GENERAL.—The Secretary of the Interior shall administer the land and interests in land reserved from conveyance under subparagraphs (B) and (C) of subsection (b)(2) in accordance with the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.).

''(2) MANAGEMENT PLAN.—Not later than 3 years after the date of enactment of this section, the Secretary shall submit to Congress a land use plan for the management of the land and interests in land referred to in paragraph (1).

''(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary such sums as are necessary to carry out this subsection.

''(e) ROYALTY.—

''(1) PAYMENT OF ROYALTY.—The royalty interest reserved from conveyance in subsection (b)(2)(A) that is required to be paid by the Tribe shall not include any development, production, marketing, and operating expenses.

''(2) REPORT.—The Tribe shall submit to the Secretary of Energy and to Congress an annual report on resource development and other activities of the Tribe concerning the conveyance under subsection (b).

''(3) FINANCIAL AUDIT.—

''(A) IN GENERAL.—Not later than 5 years after the date of enactment of this section, and every 5 years thereafter, the Tribe shall obtain an audit of all resource development activities of the Tribe concerning the conveyance under subsection (b), as provided under chapter 75 of title 31, United States Code.

''(B) INCLUSION OF RESULTS.—The results of each audit under this paragraph shall be included in the next annual report submitted after the date of completion of the audit.

''(f) RIVER MANAGEMENT.—

''(1) IN GENERAL.—The Tribe shall manage, under Tribal jurisdiction and in accordance with ordinances adopted by the Tribe, land of the Tribe that is adjacent to, and within ¼ mile of, the Green River in a manner that—

''(A) maintains the protected status of the land; and

''(B) is consistent with the government-to-government agreement and in the memorandum of understanding dated February 11, 2000, as agreed to by the Tribe and the Secretary.

''(2) NO MANAGEMENT RESTRICTIONS.—An ordinance referred to in paragraph (1) shall not impair, limit, or otherwise restrict the management and use of any land that is not owned, controlled, or subject to the jurisdiction of the Tribe.

''(3) REPEAL OR AMENDMENT.—An ordinance adopted by the Tribe and referenced in the government-to-government agreement may not be repealed or amended without the written approval of—

''(A) the Tribe; and

''(B) the Secretary.

''(g) PLANT SPECIES.—

''(1) IN GENERAL.—In accordance with a government-to-government agreement between the Tribe and the Secretary, in a manner consistent with levels of legal protection in effect on the date of enactment of this section, the Tribe shall protect, under ordinances adopted by the Tribe, any plant species that is—

''(A) listed as an endangered species or threatened species under section 4 of the Endangered Species Act of 1973 (16 U.S.C. 1533); and

''(B) located or found on the NOSR–2 land conveyed to the Tribe.

''(2) TRIBAL JURISDICTION.—The protection described in paragraph (1) shall be performed solely under tribal jurisdiction

''(h) HORSES.—

''(1) IN GENERAL.—The Tribe shall manage, protect, and assert control over any horse not owned by the Tribe or tribal members that is located or found on the NOSR–2 land conveyed to the Tribe in a manner that is consistent with Federal law governing the management, protection, and control of horses in effect on the date of enactment of this section.

''(2) TRIBAL JURISDICTION.—The management, control, and protection of horses described in paragraph (1) shall be performed solely—

''(A) under tribal jurisdiction; and

''(B) in accordance with a government-to-government agreement between the Tribe and the Secretary.

''(i) REMEDIAL ACTION AT MOAB SITE.—

''(1) INTERIM REMEDIAL ACTION.—

''(A) PLAN.—Not later than 1 year after the date of enactment of this section, the Secretary of Energy shall prepare a plan for remedial action, including ground water restoration, at the uranium milling site near Moab, Utah, under section 102(a) of the Uranium Mill Tailings Radiation Control Act of 1978 (42 U.S.C. 7912(a)).

''(B) COMMENCEMENT OF REMEDIAL ACTION.—The Secretary of Energy shall commence remedial action as soon as practicable after the preparation of the plan.

''(C) TERMINATION OF LICENSE.—The license for the materials at the site issued by the Nuclear Regulatory Commission shall terminate 1 year from the date of enactment of this section, unless the Secretary of Energy determines that the license may be terminated earlier.

''(D) ACTIVITIES OF THE TRUSTEE OF THE MOAB RECLAMATION TRUST.— Until the license referred to in subparagraph (C) terminates, the Trustee of the Moab Reclamation Trust (referred to in this paragraph as the 'Trustee'), subject to the availability of funds appropriated specifically for a purpose described in clauses (i) through (iii) or made available by the Trustee from the Moab Reclamation Trust, may carry out—

''(i) interim measures to reduce or eliminate localized high ammonia concentrations identified by the United States Geological Survey in a report dated March 27, 2000, in the Colorado River;

''(ii) activities to dewater the mill tailings; and

''(iii) other activities, subject to the authority of the Secretary of Energy and the Nuclear Regulatory Commission.

''(E) TITLE; CARETAKING.—Until the date on which the Moab site is sold under paragraph (4), the Trustee—

''(i) shall maintain title to the site; and

''(ii) shall act as a caretaker of the property and in that capacity exercise measures of physical safety consistent with past practice, until the Secretary of Energy relieves the Trustee of that responsibility.

''(2) LIMIT ON EXPENDITURES.—The Secretary shall limit the amounts expended in carrying out the remedial action under paragraph (1) to—

''(A) amounts specifically appropriated for the remedial action in an Act of appropriation; and

''(B) other amounts made available for the remedial action under this subsection.

''(3) RETENTION OF ROYALTIES.—

''(A) IN GENERAL.—The Secretary of Energy shall retain the amounts received as royalties under subsection (e)(1).

''(B) AVAILABILITY.—Amounts referred to in subparagraph (A) shall be available, without further Act of appropriation, to carry out the remedial action under paragraph (1).

''(C) EXCESS AMOUNTS.—On completion of the remedial action under paragraph (1), all remaining royalty amounts shall be deposited in the General Fund of the Treasury.

''(D) EXCLUSION OF NATIONAL SECURITY ACTIVITIES FUNDING.—The Secretary shall not use any funds made available to the Department of Energy for national security activities to carry out the remedial action under paragraph (1).

''(E) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Energy to carry out the remedial action under paragraph (1) such sums as are necessary.

''(4) SALE OF MOAB SITE.—

''(A) IN GENERAL.—If the Moab site is sold after the date on which the Secretary of Energy completes the remedial action under paragraph (1), the seller shall pay to the Secretary of Energy, for deposit in the miscellaneous receipts account of the Treasury, the portion of the sale price that the Secretary determines resulted from the enhancement of the value of the Moab site that is attributable to the completion of the remedial action, as determined in accordance with subparagraph (B).

''(B) DETERMINATION OF ENHANCED VALUE.—The enhanced value of the Moab site referred to in subparagraph (A) shall be equal to the difference between—

''(i) the fair market value of the Moab site on the date of enactment of this section, based on information available on that date; and

''(ii) the fair market value of the Moab site, as appraised on completion of the remedial action.''.

(c) URANIUM MILL TAILINGS.—Section 102(a) of the Uranium Mill Tailings Radiation Control Act of 1978 (42 U.S.C. 7912(a)) is amended by inserting after paragraph (3) the following:

''(4) DESIGNATION AS PROCESSING SITE.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, the Moab uranium milling site (referred to in this paragraph as the 'Moab Site') located approximately 3 miles northwest of Moab, Utah, and identified in the Final Environmental Impact Statement issued by the Nuclear Regulatory Commission in March 1996, in

conjunction with Source Material License No. SUA 917, is designated as a processing site.

''(B) APPLICABILITY.—This title applies to the Moab Site in the same manner and to the same extent as to other processing sites designated under this subsection, except that—

''(i) sections 103, 107(a), 112(a), and 115(a) of this title shall not apply;

''(ii) a reference in this title to the date of the enactment of this Act shall be treated as a reference to the date of enactment of this paragraph; and

''(iii) the Secretary, subject to the availability of appropriations and without regard to section 104(b), shall conduct remediation at the Moab site in a safe and environmentally sound manner, including—

''(I) ground water restoration; and

''(II) the removal, to at a site in the State of Utah, for permanent disposition and any necessary stabilization, of residual radioactive material and other contaminated material from the Moab Site and the floodplain of the Colorado River.''.

(d) CONFORMING AMENDMENT.—Section 3406 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (10 U.S.C. 7420 note; Public Law 105–261) is amended by inserting after subsection (e) the following:

''(f) OIL SHALE RESERVE NUMBERED 2.—This section does not apply to the transfer of Oil Shale Reserve Numbered 2 under section 3405.''.

TITLE XXXIV—NATIONAL DEFENSE STOCKPILE

SEC. 3401. AUTHORIZED USES OF STOCKPILE FUNDS.

(a) OBLIGATION OF STOCKPILE FUNDS.—During fiscal year 2001, the National Defense Stockpile Manager may obligate up to $75,000,000 of the funds in the National Defense Stockpile Transaction Fund established under subsection (a) of section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h) for the authorized uses of such funds under subsection (b)(2) of such section, including the disposal of hazardous materials that are environmentally sensitive.

(b) ADDITIONAL OBLIGATIONS.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate the additional obligations. The National Defense Stockpile Manager may make the additional obligations described in the notification after the end of the 45-day period beginning on the date on which Congress receives the notification.

(c) LIMITATIONS.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

SEC. 3402. INCREASED RECEIPTS UNDER PRIOR DISPOSAL AUTHORITY.

Section 3303(a) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 1112 Stat. 2263; 50 U.S.C. 98d note) is amended—

(1) in paragraph (2), by striking ''$460,000,000'' and inserting ''$409,000,000'';

(2) in paragraph (3), by striking ''$555,000,000'' and inserting ''$585,000,000''; and

(3) in paragraph (4), by striking ''$590,000,000'' and inserting ''$620,000,000''.

SEC. 3403. DISPOSAL OF TITANIUM.

(a) DISPOSAL REQUIRED.—Subject to subsection (b), the President shall, by September 30, 2010, dispose of 30,000 short tons of titanium contained in the National Defense Stockpile so as to result in receipts to the United States in a total amount that is not less than $180,000,000.

(b) MINIMIZATION OF DISRUPTION AND LOSS.—The President may not dispose of titanium under subsection (a) to the extent that the disposal will result in—

(1) undue disruption of the usual markets of producers, processors, and consumers of titanium; or

(2) avoidable loss to the United States.

(c) TREATMENT OF RECEIPTS.—Notwithstanding section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h), funds received as a result of the disposal of titanium under subsection (a) shall be applied as follows: $174,000,000 to defray the costs of health care benefit improvements for retired military personnel; and $6,000,000 for transfer to the American Battle Monuments Commission for deposit in the fund established under section 2113 of title 36, United States Code, for the World War II memorial authorized by section 1 of Public Law 103–32 (107 Stat. 90).

(d) WORLD WAR II MEMORIAL.—(1) The amount transferred to the American Battle Monuments Commission under subsection (c) shall be used to complete all necessary requirements for the design of, ground breaking for, construction of, maintenance of, and dedication of the World War II memorial. The Commission shall determine how the amount shall be apportioned among such purposes.

(2) Any funds not necessary for the purposes set forth in paragraph (1) shall be transferred to and deposited in the general fund of the Treasury.

(e) RELATIONSHIP TO OTHER DISPOSAL AUTHORITY.—The disposal authority provided in subsection (a) is new disposal authority and is in addition to, and shall not affect, any other disposal authority provided by law regarding materials in the National Defense Stockpile.

TITLE XXXV—ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION

SEC. 3501. SHORT TITLE.

This title may be cited as the ''Energy Employees Occupational Illness Compensation Act of 2000''.

SEC. 3502. CONSTRUCTION WITH OTHER LAWS.

References in this title to a provision of another statute shall be considered as references to such provision, as amended and as may be amended from time to time.

SEC. 3503. DEFINITIONS.

(a) IN GENERAL.—In this title:

(1) ATOMIC WEAPON.—The term ''atomic weapon'' has the meaning given that term in section 11d. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(d)).

(2) ATOMIC WEAPONS EMPLOYEE.—The term ''atomic weapons employee'' means an individual employed by an atomic weapons employer during a time when the employer was processing or producing, for the use by the United States, material that emitted radiation and was used in the production of an atomic weapon, excluding uranium mining and milling.

(3) ATOMIC WEAPONS EMPLOYER.—The term ''atomic weapons employer'' means an entity that—

(A) processed or produced, for the use by the United States, material that emitted radiation and was used in the production of an atomic weapon, excluding uranium mining and milling; and

(B) is designated as an atomic weapons employer for purposes of this title by the Secretary of Energy.

(4) ATOMIC WEAPONS EMPLOYER FACILITY.—The term ''atomic weapons employer facility'' means a facility, owned by an atomic weapons employer, that is or was used to process or produce, for use by the United States, material that emitted radiation and was used in the production of an atomic weapon, excluding uranium mining or milling.

(5) BERYLLIUM VENDOR.—The term ''beryllium vendor'' means the following:

(A) Atomics International.

(B) Brush Wellman, Incorporated, and its predecessor, Brush Beryllium Company.

(C) General Atomics.

(D) General Electric Company.

(E) NGK Metals Corporation and its predecessors, Kawecki-Berylco, Cabot Corporation, BerylCo, and Beryllium Corporation of America.

(F) Nuclear Materials and Equipment Corporation.

(G) StarMet Corporation, and its predecessor, Nuclear Metals, Incorporated.

(H) Wyman Gordan, Incorporated.

(I) Any other vendor, processor, or producer of beryllium or related products designated as a beryllium vendor for purposes of this title under section 3504(a).

(6) CHRONIC SILICOSIS.—The term ''chronic silicosis'' means silicosis if—

(A) at least 10 years elapse between initial exposure to silica and the emergence of the silicosis; and

(B) the silicosis is established by one of the following:

(i) A chest x-ray presenting any combination of rounded opacities of type p/q/r, with or without irregular opacities, present in at least both upper lung zones and of profusion 1/0 or greater, as found in accordance with the International Labor Organization classification system.

(ii) A physician's provisional or working diagnosis of silicosis, combined with—

(I) a chest radiograph interpreted as consistent with silicosis; or

(II) pathologic findings consistent with silicosis.

(iii) A history of occupational exposure to airborne silica dust and a chest radiograph or other imaging technique interpreted as consistent with silicosis or pathologic findings consistent with silicosis.

(7) COMPENSATION.—The term ''compensation'' means the money allowance payable under this title and any other benefits paid for from the Fund including the alternative compensation payable pursuant to section 3515.

(8) COVERED BERYLLIUM EMPLOYEE.—The term ''covered beryllium employee'' means the following:

(A) A current or former employee (as that term is defined in section 8101(1) of title 5, United States Code) who may have been exposed to beryllium at a Department of Energy facility or at a facility owned, operated, or occupied by a beryllium vendor.

(B) A current or former employee of any entity that contracted with the Department of Energy to provide management and operation, management and integration, or environmental remediation of a Department of Energy facility or an employee of any contractor or subcontractor that provided services, including construction and maintenance, at such a facility.

(C) A current or former employee of a beryllium vendor, or a contractor or subcontractor of a beryllium vendor, during a period when the vendor was engaged in activities related to the production or processing of beryllium for sale to, or use by, the Department of Energy.

(9) COVERED BERYLLIUM ILLNESS.—The term ''covered beryllium illness'' means any condition as follows:

(A) Beryllium sensitivity as established by—

(i) an abnormal beryllium lymphocyte proliferation test performed on either blood or lung lavage cells; or

(ii) other means specified under section 3504(b).

(B) Chronic beryllium disease as established by the following:

(i) For diagnoses on or after January 1, 1993—

(I) beryllium sensitivity, as established in accordance with subparagraph (A); and

(II) lung pathology consistent with chronic beryllium disease, including—

(aa) a lung biopsy showing granulomas or a lymphocytic process consistent with chronic beryllium disease;

(bb) a computerized axial tomography scan showing changes consistent with chronic beryllium disease; or

(cc) pulmonary function or exercise testing showing pulmonary deficits consistent with chronic beryllium disease.

(ii) For diagnoses before January 1, 1993, the presence of four of the criteria set forth in subclauses (I) through (VI), including the criteria

set forth in subclause (I) and any three of the criteria set forth in subclauses (II) through (VI):

(I) Occupational or environmental history, or epidemiologic evidence of beryllium exposure.

(II) Characteristic chest radiographic (or computed tomography (CT) abnormalities.

(III) Restrictive or obstructive lung physiology testing or diffusing lung capacity defect.

(IV) Lung pathology consistent with chronic beryllium disease.

(V) Clinical course consistent with a chronic respiratory disorder.

(VI) Immunologic tests showing beryllium sensitivity (skin patch test or beryllium blood test preferred).

(iii) Other means specified under section 3504(b).

(C) Any injury, illness, impairment, or disability sustained as a consequence of a covered beryllium illness referred to in subparagraph (A) or (B).

(10) COVERED EMPLOYEE.—The term ''covered employee'' means a covered beryllium employee, a covered employee with cancer, or a covered employee with chronic silicosis.

(11) COVERED EMPLOYEE WITH CANCER.—The term ''covered employee with cancer'' means the following:

(A) An individual who meets the criteria in section 3511(c)(1).

(B) A member of the Special Exposure Cohort.

(12) COVERED EMPLOYEE WITH CHRONIC SILICOSIS.—The term ''covered employee with chronic silicosis'' means a—

(A) Department of Energy employee; or

(B) Department of Energy contractor employee;

with chronic silicosis who was exposed to silica in the performance of duty as determined in section 3511(b).

(13) DEPARTMENT OF ENERGY.—The term ''Department of Energy'' includes the predecessor agencies of the Department of Energy, including the Manhattan Engineering District.

(14) DEPARTMENT OF ENERGY CONTRACTOR EMPLOYEE.—The term ''Department of Energy contractor employee'' means the following:

(A) An individual who is or was in residence at a Department of Energy facility as a researcher for a period of at least 24 cumulative months.

(B) An individual who is or was employed, at a Department of Energy facility by—

(i) an entity that contracted with the Department of Energy to provide management and operating, management and integration, or environmental remediation at the facility; or

(ii) a contractor or subcontractor that provided services, including construction and maintenance, at the facility.

(15) DEPARTMENT OF ENERGY FACILITY.—The term ''Department of Energy facility'' means any building, structure, or premise, including the grounds upon which such building, structure, or premise is located—

(A) in which operations are, or have been, conducted by, or on behalf of, the Department of Energy (except for buildings, structures, premises, grounds, or operations covered by Executive Order 12344, pertaining to the Naval Nuclear Propulsion Program); and

(B) with regard to which the Department of Energy has or had—

(i) a proprietary interest; or

(ii) entered into a contract with an entity to provide management and operation, management and integration, environmental remediation services, construction, or maintenance services.

(16) FUND.—The term ''Fund'' means the Energy Employees' Occupational Illness Compensation Fund under section 3542 of this title.

(17) MONTHLY PAY.—The term ''monthly pay'' means the monthly pay at the time of injury, or the monthly pay at the time disability begins, or the monthly pay at the time the compensable disability recurs, if the recurrence begins more than 6 months after the employee resumes regular full-time employment, whichever is greater, except when otherwise determined under section 8113 of title 5, United States Code.

(18) RADIATION.—The term ''radiation'' means ionizing radiation in the form of—

(A) alpha particles;

(B) beta particles;

(C) neutrons;

(D) gamma rays; or

(E) accelerated ions or subatomic particles from accelerator machines.

(19) SECRETARY OF HEALTH AND HUMAN SERVICES.—The term ''Secretary of Health and Human Services'' means the Secretary of Health and Human Services with the assistance of the Director of the National Institute for Occupational Safety and Health.

(20) SPECIAL EXPOSURE COHORT.—The term ''Special Exposure Cohort'' means the following groups of Department of Energy employees, Department of Energy contractor employees, and atomic weapons employees:

(A) Individuals who—

(i) were employed during the period prior to February 1, 1992—

(I) at the gaseous diffusion plants located in—

(aa) Paducah, Kentucky;

(bb) Portsmouth, Ohio; or

(cc) Oak Ridge, Tennessee; and

(II) by—

(aa) the Department of Energy;

(bb) a Department of Energy contractor or subcontractor; or

(cc) an atomic weapons employer; and

(ii) during employment covered by clause (i)—

(I) were monitored through the use of dosimetry badges for exposure at the plant of the external parts of the employee's body to radiation; or

(II) worked in a job that had exposures comparable to a job that is or was monitored through the use of dosimetry badges.

(B) Individuals who were employed by the Department of Energy or a Department of Energy contractor or subcontractor on Amchitka Island, Alaska, prior to January 1, 1974, and who were exposed to ionizing radiation in the performance of duty related to the Long Shot, Milrow, or Cannikin underground nuclear tests.

(C) Individuals designated as part of the Special Exposure Cohort by the Secretary of Health and Human Services, in accordance with section 3513.

(21) SPECIFIED CANCER.—The term ''specified cancer'' means the following:

(A) Leukemia (other than chronic lymphocytic leukemia).

(B) Multiple myeloma.

(C) Non-Hodgkins Lymphoma.

(D) Cancer of the—

(i) bladder;

(ii) bone;

(iii) brain;

(iv) breast (male or female);

(v) cervix;

(vi) digestive system (including esophagus, stomach, small intestine, bile ducts, colon, rectum, or other digestive organs);

(vii) gallbladder;

(viii) kidney;

(ix) larynx, pharynx, or other respiratory organs;

(x) liver;

(xi) lung;

(xii) male genitalia;

(xiii) nasal organs;

(xiv) nervous system;

(xv) ovary;

(xvi) pancreas;

(xvii) prostate;

(xviii) salivary gland (parotid or non-parotid);

(xix) thyroid;

(xx) ureter;

(xxi) urinary tract or other urinary organs; or

(xxii) uterus.

(22) SURVIVOR.—The term ''survivor'' means any individual or individuals eligible to receive compensation pursuant to section 8133 of title 5, United States Code.

(23) TIME OF INJURY.—The term ''time of injury'' means—

(A) in regard to a claim arising out of exposure to beryllium, the last date on which a covered employee was exposed to beryllium in the performance of duty in accordance with section 3511(a);

(B) in regard to a claim arising out of chronic silicosis, the last date on which a covered employee was exposed to silica in the performance of duty in accordance with section 3511(b); and

(C) in regard to a claim arising out of exposure to radiation, the last date on which a covered employee was exposed to radiation in the performance of duty in accordance with section 3511(c)(1) or, in the case of a member of the Special Exposure Cohort, the last date on which the member of the Special Exposure Cohort was employed at the Department of Energy facility at which the member was exposed to radiation.

(b) TERMS USED IN ADMINISTRATION.—

(1) IN GENERAL.—The following terms have the meaning given those terms in section 8101 of title 5, United States Code—

(A) ''physician'';

(B) ''medical, surgical, and hospital services and supplies'';

(C) ''injury'';

(D) ''widow'';

(E) ''parent'';

(F) ''brother'';

(G) ''sister'';

(H) ''child'';

(I) ''grandchild'';

(J) ''widower'';

(K) ''student'';

(L) ''price index'';

(M) ''organ''; and

(N) ''United States medical officers and hospitals''.

(2) EMPLOYEE.—In applying any provision of chapter 81 of title 5, United States Code (except section 8101), under this title, the term ''employee'' in such provision shall mean a covered employee.

(3) EMPLOYEES' COMPENSATION FUND.—In applying any provision of chapter 81 of title 5, United States Code, under this title, the term ''Employees' Compensation Fund'' in such provision shall mean the Fund.

SEC. 3504. EXPANSION OF LIST OF BERYLLIUM VENDORS AND MEANS OF ESTABLISHING COVERED BERYLLIUM ILLNESSES.

(a) BERYLLIUM VENDORS.—The Secretary of Energy may from time to time, and in consultation with the Secretary of Labor, designate as a beryllium vendor for purposes of section 3503(a)(5) any vendor, processor, or producer of beryllium or related products not previously listed under or designated for purposes of that section if the Secretary of Energy finds that such vendor, processor, or producer has been engaged in activities related to the production or processing of beryllium for sale to, or use by, the Department of Energy in a manner similar to the entities listed in that section.

(b) MEANS OF ESTABLISHING COVERED BERYLLIUM ILLNESSES.—The Secretary of Health and Human Services may from time to time, and in consultation with the Secretary of Energy, specify means of establishing the existence of a covered beryllium illness referred to in subparagraph (A) or (B) of section 3503(a)(9) not previously listed under or specified for purposes of such subparagraph.

Subtitle A—Beryllium, Silicosis, and Radiation Compensation

SEC. 3511. EXPOSURE TO HAZARDS IN THE PERFORMANCE OF DUTY.

(a) BERYLLIUM.—In the absence of substantial evidence to the contrary, a covered beryllium employee shall be determined to have been exposed to beryllium in the performance of duty for the purposes of this title if, and only if, the covered beryllium employee was—

(1) employed at a Department of Energy facility; or

(2) present at a Department of Energy facility, or a facility owned and operated by a beryllium vendor, because of employment by the United States, a beryllium vendor, or a contractor or subcontractor of the Department of Energy;

during a period when beryllium dust, particles, or vapor may have been present at such facility.

(b) CHRONIC SILICOSIS.—In the absence of substantial evidence to the contrary, a covered employee with chronic silicosis shall be determined to have been exposed to silica in the performance of duty for the purposes of this title if, and only if, the covered employee with chronic silicosis was present during the mining of tunnels at a Department of Energy facility for tests or experiments related to an atomic weapon.

(c) CANCER.—

(1) IN GENERAL.—A Department of Energy employee, Department of Energy contractor employee, or an atomic weapons employee shall be determined to have sustained a cancer in the performance of duty if, and only if, such employee—

(A) contracted cancer after beginning employment at a Department of Energy facility for a Department of Energy contractor or an atomic weapons employer facility for an atomic weapons employer; and

(B) falls within guidelines that—

(i) are established by the Secretary of Health and Human Services by regulation, after consultation with the Secretary of Energy and after technical review by the Advisory Board under section 3512, for determining whether the cancer the employee contracted was at least as likely as not related to employment at the facility;

(ii) are based on the radiation dose received by the employee (or a group of employees performing similar work) at the facility and the upper 99 percent confidence interval of the probability of causation in the radioepidemiological tables published under section 7(b) of the Orphan Drug Act (42 U.S.C. 241 note), as such tables may be updated under section 7(b)(3) of such Act from time to time;

(iii) incorporate the methods established under subsection (d); and

(iv) take into consideration the type of cancer; past health-related activities, such as smoking; information on the risk of developing a radiation-related cancer from workplace exposure; and other relevant factors.

(2) SPECIAL EXPOSURE COHORT.—A member of the Special Exposure Cohort shall be determined to have sustained a cancer in the performance of duty if, and only if, such individual contracted a specified cancer after beginning employment at a Department of Energy facility for a Department of Energy contractor or an atomic weapons employer facility for an atomic weapons employer.

(d) RADIATION DOSE.—

(1) IN GENERAL.—The Secretary of Health and Human Services, after consultation with the Secretary of Energy, shall—

(A) establish by regulation methods for arriving at reasonable estimates of the radiation doses Department of Energy employees or Department of Energy contractor employees received at a Department of Energy facility and atomic weapons employees received at a facility operated by an atomic weapons employer if such employees were not monitored for exposure to radiation at the facility, or were monitored inadequately, or if the employees' exposure records are missing or incomplete; and

(B) provide to an employee who meets the requirements of subsection (c)(1)(B) an estimate of the radiation dose the employee received based on dosimetry reading, a method established under subparagraph (A), or a combination of both.

(2) SCIENTIFIC REVIEW.—The Secretary of Health and Human Services shall establish an independent review process utilizing the Advisory Board under section 3512 to assess the methods established under paragraph (1)(A) and the application of those methods and to verify a reasonable sample of individual dose reconstructions provided under paragraph (1)(B).

(3) ACCESS TO DOSE RECONSTRUCTIONS.—The Secretary of Health and Human Services and the Secretary of Energy each shall, consistent with the protection of private medical records, make available to researchers and the general public information on the assumptions, methodology, and data used in dose reconstructions undertaken under this subtitle.

SEC. 3512. ADVISORY BOARD ON RADIATION AND WORKER HEALTH.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—Not later than 120 days after the date of enactment of this title, the Secretary of Health and Human Services, in consultation with the Secretary of Energy, shall establish and appoint an Advisory Board on Radiation and Worker Health.

(2) BALANCE OF VIEWS.—In making appointments to the Board, the Secretary of Health and Human Services shall also consult with labor unions and other organizations with expertise on worker health issues to ensure that the membership of the Board reflects a balance of scientific, medical, and worker perspectives.

(3) CHAIR.—The Secretary of Health and Human Services shall designate a Chair for the Board from among its members.

(b) DUTIES.—The Board shall advise the Secretary of Health and Human Services, Secretary of Energy, and Secretary of Labor on—

(1) the development of guidelines to be used by the Secretary of Health and Human Services under section 3511;

(2) the scientific validity and quality of dose estimation and reconstruction efforts being performed to implement compensation programs under this subtitle; and

(3) other matters related to radiation and worker health in Department of Energy facilities as the Secretary of Labor, the Secretary of Energy, or the Secretary of Health and Human Services may request.

(c) STAFF.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall appoint a staff to facilitate the work of the Board, headed by a Director appointed under subchapter VIII of chapter 33 of title 5, United States Code.

(2) DETAILS.—The Secretary of Health and Human Services may accept for staff of the Board personnel on detail from other Federal agencies to serve on the staff on a nonreimbursable basis.

(d) EXPENSES.—Members of the Board, other than full-time employees of the Federal Government, while attending meetings of the Board or while otherwise serving at the request of the Secretary of Health and Human Services while serving away from their homes or regular places of business, may be allowed travel and meal expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for individuals in the Government serving without pay.

(e) APPLICABILITY OF FACA.—The Advisory Board shall be subject to the Federal Advisory Committee Act (5 U.S.C. App.).

SEC. 3513. DESIGNATION OF ADDITIONAL MEMBERS OF THE SPECIAL EXPOSURE COHORT.

(a) ADVICE ON MEMBERSHIP IN COHORT.—

(1) IN GENERAL.—Upon request of the Secretary of Health and Human Services, the Advisory Board on Radiation and Worker Health under section 3512, based on exposure assessments by radiation health professionals, information provided by the Department of Energy, and other information deemed appropriate by the Board, shall advise the Secretary of Health and Human Services whether there is a class of employees at a Department of Energy facility who likely were exposed to radiation at the facility but for whom it is not feasible to estimate with sufficient accuracy the radiation dose they received.

(2) PROCEDURES.—The Secretary of Health and Human Services shall establish procedures for considering petitions by classes of employees to request the advice of the Board.

(b) TREATMENT AS MEMBERS OF COHORT.—A class of employees at a Department of Energy facility shall be considered as members of the Special Exposure Cohort for purposes of section 3503(a)(20) if the Secretary of Health and Human Services, upon recommendation of the Advisory Board on Radiation and Worker Health and in consultation with the Secretary of Energy, determines that—

(1) it is not feasible to estimate with sufficient accuracy the radiation dose which the class received; and

(2) there is a reasonable likelihood that the radiation dose may have endangered the health of members of the class.

(c) ACCESS TO INFORMATION.—The Secretary of Energy shall, in accordance with law, provide the Secretary of Health and Human Services and the members and staff of the Advisory Board under section 3512 access to relevant information on worker exposures, including access to Restricted Data (as that term is defined in section 11y. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(y)).

SEC. 3514. AUTHORITY TO PROVIDE COMPENSATION AND OTHER ASSISTANCE.

(a) COMPENSATION.—Subject to the provisions of this title, the Secretary of Labor—

(1) shall pay compensation in accordance with sections 8105 through 8110, 8111(a), 8112, 8113, 8115, 8117, 8133, 8134, 8146a(a), and 8146a(b) of title 5, United States Code, for the disability or death—

(A) from a covered beryllium illness of a covered beryllium employee who was exposed to beryllium while in the performance of duty as determined in accordance with section 3511(a) of this title;

(B) from chronic silicosis of a covered employee with chronic silicosis who was exposed to silica in the performance of duty as determined in accordance with section 3511(b) of this title; or

(C) from cancer of a covered employee with cancer determined to have sustained that cancer in the performance of duty in accordance with section 3511(c) of this title or from any injury suffered as a consequence of that cancer;

(2) shall furnish the services and other benefits specified in section 8103 of title 5, United States Code, to—

(A) a covered beryllium employee with a covered beryllium illness who was exposed to beryllium in the performance of duty as determined in accordance with section 3511(a) of this title;

(B) a covered employee with chronic silicosis who was exposed to silica in the performance of duty as determined in accordance with section 3511(b) of this title; or

(C) a covered employee with cancer determined to have sustained that cancer in the performance of duty in accordance with section 3511(c) of this title or to have suffered any injury as a consequence of that cancer; and

(3) may direct a permanently disabled individual whose disability is compensable under this subtitle to undergo vocational rehabilitation and shall provide for furnishing such vocational rehabilitation services pursuant to the provisions of sections 8104, 8111(b), and 8113(b) of title 5, United States Code.

(b) LIMITATIONS ON COMPENSATION.—

(1) EMPLOYEE MISCONDUCT.—No compensation or benefits may be paid or provided under this title for a cancer (including a specified cancer), chronic silicosis, covered beryllium illness, or death if the cancer (including a specified cancer), chronic silicosis, covered beryllium illness, or death occurred under one of the circumstances set forth in paragraph (1), (2), or (3) of section 8102(a) of title 5, United States Code.

(2) RETROACTIVE BENEFITS.—No compensation may be paid under this section for any period before the date of enactment of this title, except in the case of compensation under section 3515.

(3) SOURCE.—All compensation under this subtitle shall be paid from the Fund.

(c) COMPUTATION OF PAY.—

(1) IN GENERAL.—Except as otherwise provided by this title or by regulation, computation of pay under this title shall be determined in accordance with section 8114 of title 5, United States Code.

(2) SUBSTITUTE RULE FOR SECTION 8114(d)(3).—If either of the methods of determining the average annual earnings specified in section 8114(d)(1) and (2) of title 5, United States Code, cannot be applied reasonably and fairly, the average annual earnings are a sum that reasonably represents the annual earning capacity of the covered employee in the employment in which the employee was working at the time of injury having regard to the previous earnings of the employee in similar employment, and of other employees of the same employer in the same or most similar class working in the same or most similar employment in the same or neighboring location, other previous employment of the employee, or other relevant factors. However, the average annual earnings may not be less than 150 times the average daily wage the covered employee earned in the employment during the days employed within 1 year immediately preceding the time of injury.

(d) ASSISTANCE FOR CLAIMANTS.—The Secretary of Labor shall, upon the receipt of a request for assistance from a claimant for compensation under this section, provide assistance to the claimant in connection with the claim, including—

(1) assistance in securing medical testing and diagnostic services necessary to establish the existence of a covered beryllium illness or cancer; and

(2) such other assistance as may be required to develop facts pertinent to the claim.

(e) ASSISTANCE FOR POTENTIAL CLAIMANTS.—The Secretary of Energy, in consultation with the Secretary of Labor, shall take appropriate actions to inform and assist covered employees who are potential claimants under this subtitle, and other potential claimants under this subtitle, of the availability of compensation under this subtitle, including actions to—

(1) ensure the ready availability, in paper and electronic format, of forms necessary for making claims;

(2) provide such covered employees and other potential claimants with information and other support necessary for making claims, including—

(A) medical protocols for medical testing and diagnosis to establish the existence of a covered beryllium illness, silicosis, or cancer; and

(B) lists of vendors approved for providing laboratory services related to such medical testing and diagnosis;

(3) provide such additional assistance to such covered employees and other potential claimants as may be required for the development of facts pertinent to a claim.

(f) INFORMATION FROM BERYLLIUM VENDORS AND OTHER CONTRACTORS.—As part of the assistance program provided under subsections (d) and (e), and as permitted by law, the Secretary of Energy shall, upon the request of the Secretary of Labor, require a beryllium vendor or other Department of Energy contractor or subcontractor to provide information relevant to a claim or potential claim under this title to the Secretary of Labor.

SEC. 3515. ALTERNATIVE COMPENSATION.

(a) IN GENERAL.—Subject to the provisions of this section, a covered employee eligible for benefits under section 3514(a), or the survivor of such covered employee if the employee is deceased, may elect to receive compensation in the amount of $200,000 in lieu of any other compensation under section 3514(a)(1).

(b) DEATH BEFORE ELECTION.—

(1) IN GENERAL.—Subject to the provisions of this section, if a covered employee otherwise eligible to make an election provided by this section dies before the date of enactment of this title, or before making the election, whether or not the death is a result of a cancer (including a specified cancer), chronic silicosis, or covered beryllium illness, a survivor of the covered employee on behalf of the survivor and any other survivors of the covered employee may make the election and receive the compensation provided for under this section.

(2) PRECEDENCE OF SURVIVORS.—The right to make an election and to receive compensation under this section shall be afforded to survivors in the order of precedence set forth in section 8109 of title 5, United States Code.

(c) TIME LIMIT FOR ELECTION.—An election under this section may be made at any time after the submittal under this subtitle of the claim on which such compensation is based, but not later than 30 days after the latter of the date of—

(1) a determination by the Secretary of Labor that an employee is eligible for an award under this section; or

(2) a determination by the Secretary of Labor under section 3214 awarding an employee or an employee's survivors compensation for total or partial disability or compensation in case of death.

(d) IRREVOCABILITY OF ELECTION.—

(1) IN GENERAL.—An election under this section when made is irrevocable.

(2) BINDING EFFECT.—An election made by a covered employee or survivor under this section is binding on all survivors of the covered employee.

SEC. 3516. SUBMITTAL OF CLAIMS.

(a) CLAIM REQUIRED.—A claim for compensation under this subtitle shall be submitted to the Secretary of Labor in the manner specified in section 8121 of title 5, United States Code.

(b) GENERAL TIME LIMITATIONS.—A claim for compensation under this subtitle shall be filed under this section not later than the later of—

(1) seven years after the date of enactment of this title;

(2) seven years after the date the claimant first becomes aware that a cancer (including a specified cancer), chronic silicosis, covered beryllium illness, or death from any of the foregoing of a covered employee may be connected to the exposure of the covered employee to beryllium, radiation, or silica in the performance of duty.

(c) NEW PERIOD FOR ADDITIONAL ILLNESSES AND CONDITIONS.—A new period of limitation under subsection (b)(2) shall commence with each new diagnosis of a cancer (including a specified cancer), chronic silicosis, or covered beryllium illness that is different from a previously diagnosed cancer (including a specified cancer), chronic silicosis, or covered beryllium illness.

(d) DEATH CLAIM.—The timely filing of a disability claim for a cancer (including a specified cancer), chronic silicosis, or covered beryllium illness shall satisfy the time requirements of this section for death benefits for the same cancer (including a specified cancer), chronic silicosis, or covered beryllium illness.

SEC. 3517. ADJUDICATION AND ADMINISTRATION.

(a) IN GENERAL.—

(1) REQUIREMENT.—The Secretary of Labor shall determine and make a finding of fact and make an award for or against payment of compensation under this subtitle after—

(A) considering the claim presented by the claimant, the results of any medical test or diagnosis undertaken to establish the existence of a cancer (including a specified cancer), chronic silicosis, or covered beryllium illness, and any report furnished by the Secretary of Energy with respect to the claim; and

(B) completing such investigation as the Secretary of Labor considers necessary.

(2) SCOPE OF ALLOWANCE AND DENIAL.—The Secretary may allow or deny a claim, in whole or in part.

(b) AVAILABLE AUTHORITIES.—

(1) IN GENERAL.—Except as provided in paragraph (2), in carrying out activities under subsection (c), the Secretary of Labor may utilize the authorities available to the Secretary under sections 8123, 8124(b), 8125, 8126, 8128(a), and 8129 of title 5, United States Code.

(2) DISAGREEMENT.—If there is a disagreement under section 8123(a) of title 5, United States Code, between the physician making the examination for the United States and the physician of the employee, the Secretary of Labor shall appoint a third physician from a roster of physicians with relevant expertise maintained by the Secretary of Health and Human Services.

(c) RIGHTS OF CLAIMANT.—

(1) IN GENERAL.—Except as provided by paragraph (2), the provisions of section 8127 of title 5, United States Code, shall apply.

(2) SUITS TO COMPEL INFORMATION.—A claimant may commence an action in the appropriate district court of the United States against a beryllium vendor, or other contractor or subcontractor of the Department of Energy, to compel the production of information or documents requested by the Secretary of Labor under this subtitle if such information or documents are not provided within 180 days of the date of the request. Upon successful resolution of any action brought under this paragraph, the court shall award the claimant reasonable attorney fees and costs to be paid by the defendant in such action.

(d) DEADLINES.—Beginning on the date that is two years after the date of enactment of this title, the Secretary of Labor shall allow or deny a claim under this section not later than the later of—

(1) 180 days after the date of submittal of the claim to the Secretary under section 3516; or

(2) 120 days after the date of receipt of information or documents produced under subsection (c)(2).

(e) RESOLUTION OF REASONABLE DOUBT.—Except as provided in subsection (b)(2), in determining whether a claimant meets the requirements of this subtitle, the Secretary of Labor shall find in favor of the claimant in circumstances where the evidence supporting the claim of the claimant and the evidence controverting the claim of the claimant is in equipoise.

(f) SERVICE OF DECISION.—The Secretary of Labor shall have served upon a claimant the Secretary's decision denying the claim under this section, including the finding of fact under subsection (a)(1).

(g) HEARINGS AND FURTHER REVIEW.—

(1) REGULATIONS.—The Secretary of Labor may prescribe regulations necessary for the administration and enforcement of this title including regulations for the conduct of hearings under this section.

(2) APPEALS PANELS.—

(A) IN GENERAL.—Regulations issued by the Secretary of Labor under this title shall provide for one or more Energy Employees' Compensation Appeals Panels of three individuals with authority to hear and, subject to applicable law and the regulations of the Secretary, make final decisions on appeals taken from determinations and awards with respect to claims of employees filed under this subtitle.

(B) INTERAGENCY AGREEMENT.—Under an agreement between the Secretary of Labor and another Federal agency (except the Department of Energy), a panel appointed by the other Federal agency may provide these appellate decisionmaking services.

(3) APPEAL.—An individual seeking review of a denial of an award under this section shall submit an appeal in accordance with the regulations under this subsection.

(h) RECONSIDERATION BASED ON NEW CRITERIA OR EVIDENCE.—

(1) NEW CRITERIA OR METHODS FOR ESTABLISHING WORK-RELATED ILLNESS.—A claimant may obtain reconsideration of a decision awarding or denying coverage under this subtitle within one year after the effective date of regulations setting forth—

(A) new criteria for establishing a covered beryllium illness pursuant to section 3504(b); or

(B) additional or revised methods for determining whether a cancer was at least as likely as not related to employment pursuant to section 3211(c)(1)(B)(i);

by submitting evidence that is relevant and pertinent to the new regulations.

(2) NEW EVIDENCE.—A covered employee or covered employee's survivor may obtain reconsideration of a decision denying an application for compensation or benefits under this title if the employee or employee's survivor has additional medical or other information relevant to the claim that was not reasonably available at the time of the decision and that likely would lead to the reversal of the decision.

Subtitle B—Exposure to Other Toxic Substances

SEC. 3521. DEFINITIONS.

In this subtitle:

(1) DIRECTOR.—The term ''Director'' means the Director of the Office of Workers' Compensation Advocate under section 217 of the Department of Energy Organization Act, as added by section 3538 of this Act.

(2) PANEL.—The term ''panel'' means a physicians panel established under section 3522(d).

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

SEC. 3522. AGREEMENTS WITH STATES.

(a) AGREEMENTS.—The Secretary, through the Director, may enter into agreements with the Governor of a State to provide assistance to a Department of Energy contractor employee in filing a claim under the appropriate State workers' compensation system.

(b) PROCEDURE.—Pursuant to agreements under subsection (a), the Director may—

(1) establish procedures under which an individual may submit an application for review and assistance under this section, and

(2) review an application submitted under this section and determine whether the applicant submitted reasonable evidence that—

(A) the application was filed by or on behalf of a Department of Energy contractor employee or employee's estate, and

(B) the illness or death of the Department of Energy contractor employee may have been related to employment at a Department of Energy facility.

(c) SUBMITTAL OF APPLICATIONS TO PANELS.—If provided in an agreement under subsection (a), and if the Director determines that the applicant submitted reasonable evidence under subsection (b)(2), the Director shall submit the application to a physicians panel established under subsection (d). The Director shall assist the employee in obtaining additional evidence within the control of the Department of Energy and relevant to the panel's deliberations.

(d) PANEL.—

(1) NUMBER OF PANELS.—The Director shall inform the Secretary of Health and Human Services of the number of physicians panels the Director has determined to be appropriate to administer this section, the number of physicians needed for each panel, and the area of jurisdiction of each panel. The Director may determine to have only one panel.

(2) APPOINTMENT.—

(A) IN GENERAL.—The Secretary of Health and Human Services shall appoint panel members with experience and competency in diagnosing occupational illnesses under section 3109 of title 5, United States Code.

(B) COMPENSATION.—Each member of a panel shall be paid at the rate of pay payable for level III of the Executive Schedule for each day (including travel time) the member is engaged in the work of a panel.

(3) DUTIES.—A panel shall review an application submitted to it by the Director and determine, under guidelines established by the Director, by rule, whether the illness or death that is the subject of the application arose out of and in the course of employment by the Department of Energy and exposure to a toxic substance at a Department of Energy facility.

(4) ADDITIONAL INFORMATION.—At the request of a panel, the Director and a contractor who employed a Department of Energy contractor employee shall provide additional information relevant to the panel's deliberations. A panel may consult specialists in relevant fields as it determines necessary.

(5) DETERMINATIONS.—Once a panel has made a determination under paragraph (3), it shall report to the Director its determination and the basis for the determination.

(6) INAPPLICABILITY OF FACA.—A panel established under this section shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App.).

(e) ASSISTANCE.—If provided in an agreement under subsection (a)—

(1) the Director shall review a panel's determination made under subsection (d), information the panel considered in reaching its determination, any relevant new information not reasonably available at the time of the panel's deliberations, and the basis for the panel's determination;

(2) as a result of the review under paragraph (1), the Director shall accept the panel's determination in the absence of compelling evidence to the contrary;

(3) if the panel has made a positive determination under subsection (d) and the Director accepts the determination under paragraph (2), or the panel has made a negative determination under subsection (d) and the Director finds compelling evidence to the contrary—

(A) the Director shall—

(i) assist the applicant to file a claim under the appropriate State workers' compensation system based on the health condition that was the subject of the determination;

(ii) recommend to the Secretary of Energy that the Department of Energy not contest a claim filed under a State workers' compensation system based on the health condition that was the subject of the determination and not contest an award made under a State workers' compensation system regarding that claim; and

(iii) recommend to the Secretary of Energy that the Secretary direct, as permitted by law, the contractor who employed the Department of Energy contractor employee who is the subject of the claim not to contest the claim or an award regarding the claim; and

(B) any costs of contesting a claim or an award regarding the claim incurred by the contractor who employed the Department of Energy contractor employee who is the subject of the claim shall not be an allowable cost under a Department of Energy contract.

(f) INFORMATION.—At the request of the Director, a contractor who employed a Department of Energy contractor employee shall make available to the Director or the employee, information relevant to deliberations under this section.

(g) GAO REPORT.—Not later than February 1, 2002, the Comptroller General shall submit a report to the Congress evaluating the implementation by the Department of Energy of the provisions of this subtitle and of the effectiveness of the program under this subtitle in providing compensation to Department of Energy contractor employees for occupational illness.

Subtitle C—General Provisions

SEC. 3531. TREATMENT OF COMPENSATION AND BENEFITS.

(a) IN GENERAL.—Any compensation or benefits allowed, paid, or provided under this title—

(1) shall not be included as income or resources for purposes of determining eligibility to receive benefits described in section 3803(c)(2)(C) of title 31, United States Code, or the amount of those benefits; and

(2) shall not be subject to offset under chapter 37 of title 31, United States Code.

(b) INSURANCE.—(1) Compensation or benefits paid or provided under this title shall not be considered as any form of compensation or reimbursement for a loss for purposes of imposing liability on an individual receiving the compensation or benefits to repay any insurance carrier for insurance payments made.

(2) The payment or provision of compensation or benefits under this title shall not be treated as affecting any claim against an insurance carrier with respect to insurance.

(c) PROHIBITION ON ASSIGNMENT OR ATTACHMENT OF CLAIMS.—The provisions of section 8130 of title 5, United States Code, shall apply to claims under this title.

(d) RETENTION OF CIVIL SERVICE RIGHTS.—If a Federal employee found to be disabled under this title resumes employment with the Federal Government, the employee shall be entitled to the rights set forth in section 8151 of title 5, United States Code.

SEC. 3532. FORFEITURE OF BENEFITS BY CONVICTED FELONS.

(a) FORFEIT COMPENSATION.—Any individual convicted of a violation of section 1920 of title 18, United States Code, or any other Federal or State criminal statute relating to fraud in the application for or receipt of any benefit under this title or under any other Federal or State workers' compensation law, shall forfeit (as of the date of such conviction) any entitlement to any benefit under this title such individual would otherwise be awarded for any injury, illness or death covered by this title for which the time of injury was on or before the date of the conviction. This forfeiture shall be in addition to any action the Secretary of Labor takes under sections 8106 or 8129 of title 5, United States Code.

(b) DEPENDENTS.—(1) Notwithstanding any other provision of law, except as provided under paragraph (2), compensation under this title shall not be paid or provided to an individual during any period during which such individual is confined in a jail, prison, or other penal institution or correctional facility, pursuant to that individual's conviction of an offense that constituted a felony under applicable law. After this period of incarceration ends, the individual shall not receive compensation forfeited during the period of incarceration.

(2) If an individual has one or more dependents as defined under section 8110(a) of title 5, United States Code, the Secretary of Labor may, during the period of incarceration, pay to such dependents a percentage of the compensation under section 3114 that would have been payable to the individual computed according to the percentages set forth in section 8133(a) (1) through (5) of title 5, United States Code.

(c) INFORMATION.—Notwithstanding section 552a of title 5, United States Code, or any other Federal or State law, an agency of the United States, a State, or a political subdivision of a State shall make available to the Secretary of Labor, upon written request from the Secretary of Labor and if the Secretary of Labor requires the information to carry out this section, the names and Social Security account numbers of individuals confined, for conviction of a felony, in a jail, prison, or other penal institution or correctional facility under the jurisdiction of that agency.

SEC. 3533. LIMITATION ON RIGHT TO RECEIVE BENEFITS.

(a) CLAIMANT.—A claimant who receives compensation for any claim under this title, except for compensation provided under the authority of section 8103(b) of title 5, United States Code, shall not receive compensation for any other claim under this title.

(b) SURVIVOR.—If a survivor receives compensation for any claim under this title derived from a covered employee, except for compensation provided under the authority of section 8103(b) of title 5, United States Code, such survivor shall not receive compensation for any other claim under this title derived from the same covered employee. A survivor of a claimant

who receives compensation for any claim under this title, except for compensation provided under the authority of section 8103(b) of title 5, United States Code, shall not receive compensation for any other claim under this title derived from the same covered employee.

(c) WIDOW OR WIDOWER.—A widow or widower who is eligible for benefits under this title derived from more than one husband or wife shall elect one benefit to receive.

SEC. 3534. COORDINATION OF BENEFITS—STATE WORKERS' COMPENSATION.

(a) IN GENERAL.—An individual who is eligible to receive compensation under this title because of a cancer (including a specified cancer), chronic silicosis, covered beryllium illness, or death and who is also entitled to receive benefits because of the same cancer (including a specified cancer), chronic silicosis, covered beryllium illness, or death from a State workers' compensation system shall elect which such benefits to receive, unless—

(1) at the time of injury, workers' compensation coverage for the employee was secured by a policy or contract of insurance; and

(2) the Secretary of Labor waives the requirement to make such an election.

(b) ELECTION.—The individual shall make the election within the time allowed by the Secretary of Labor. The election when made is irrevocable and binding on all survivors of that individual.

(c) COORDINATION.—Except as provided in paragraph (d), an individual who has been awarded compensation under this title and who also has received benefits from a State workers' compensation system because of the same cancer (including a specified cancer), chronic silicosis, covered beryllium illness, or death, shall receive compensation as specified under this title reduced by the amount of any workers' compensation benefits that the individual has received under the State workers' compensation system as a result of the cancer (including a specified cancer), chronic silicosis, covered beryllium illness, or death attributable to the period subsequent to the effective date of this title, after deducting the reasonable costs, as determined by the Secretary of Labor, of obtaining benefits under the State workers' compensation system.

(d) WAIVER.—An individual described in paragraph (a) who has also received, under paragraph (a)(2), a waiver of the requirement to elect between compensation under this title and benefits under a State workers' compensation system shall receive compensation as specified in this title for the cancer (including a specified cancer), chronic silicosis, covered beryllium illness, or death, reduced by 80 percent of the net amount of any workers' compensation benefits that the claimant has received under a State workers' compensation system attributable to the period subsequent to the effective date of this title, after deducting the reasonable costs, as determined by the Secretary of Labor, of obtaining benefits under the State workers' compensation system.

SEC. 3535. COORDINATION OF BENEFITS—FEDERAL WORKERS' COMPENSATION.

(a) IN GENERAL.—An individual who is eligible to receive compensation under this title because of a cancer (including a specified cancer), chronic silicosis, covered beryllium illness, or death and who is also entitled to receive benefits because of the same cancer (including a specified cancer), chronic silicosis, covered beryllium illness, or death from another Federal workers' compensation system shall elect which such benefits to receive.

(b) ELECTION.—The individual shall make the election within the time allowed by the Secretary of Labor. The election when made is irrevocable and binding on all survivors of that individual.

(c) COORDINATION.—An individual who has been awarded compensation under this title and who also has received benefits from another Federal workers' compensation system because of the same cancer (including a specified cancer), chronic silicosis, covered beryllium illness, or death, shall receive compensation as specified under this title reduced by the amount of any workers' compensation benefits that the individual has received under the other Federal workers' compensation system as a result of the cancer (including a specified cancer), chronic silicosis, covered beryllium illness, or death.

SEC. 3536. RECEIPT OF BENEFITS—OTHER STATUTES.

An individual may not receive compensation under this title for cancer and also receive compensation under the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) or the Radiation-Exposed Veterans Compensation Act (38 U.S.C. 112(c)).

SEC. 3537. DUAL COMPENSATION—FEDERAL EMPLOYEES.

(a) LIMITATION.—While a Federal employee is receiving compensation under this title, or such employee has been paid a lump sum in commutation of installment payments until the expiration of the period during which the installment payments would have continued, such employee may not receive salary, pay, or remuneration of any type from the United States, except—

(1) in return for service actually performed;

(2) pension for service in the Army, Navy or Air Force;

(3) other benefits administrated by the Department of Veterans Affairs unless such benefits are payable for the same covered illness or the same death; and

(4) retired pay, retirement pay, retainer pay, or equivalent pay for service in the Armed Forces or other uniformed service.

However, eligibility for or receipt of benefits under subchapter III of chapter 83 of title 5, United States Code, or another retirement system for employees of the Government, does not impair the right of the employee to compensation for scheduled disabilities specified by section 8107 of title 5, United States Code.

SEC. 3538. DUAL COMPENSATION—OTHER EMPLOYEES.

An individual entitled to receive compensation under this title because of a cancer (including a specified cancer), chronic silicosis, covered beryllium illness, or death covered by this title of a covered employee, who also is entitled to receive from the United States under a provision of a statute other than this title payments or benefits for that injury, illness or death (except proceeds of an insurance policy), because of service by such employee (or in the case of death, by the deceased) as an employee or in the Armed Forces, shall elect which benefits to receive. The individual shall make the election within the time allowed by the Secretary of Labor. The election when made is irrevocable, except as otherwise provided by statute.

SEC. 3539. EXCLUSIVITY OF REMEDY AGAINST THE UNITED STATES, CONTRACTORS, AND SUBCONTRACTORS.

(a) IN GENERAL.—The liability of the United States or an instrumentality of the United States under this title with respect to a cancer (including a specified cancer), chronic silicosis, covered beryllium illness, or death of a covered employee is exclusive and instead of all other liability—

(1) of—

(A) the United States;

(B) any instrumentality of the United States;

(C) a contractor that contracted with the Department of Energy to provide management and operation, management and integration, or environmental remediation of a Department of Energy facility (in its capacity as a contractor);

(D) a subcontractor that provided services, including construction, at a Department of Energy facility (in its capacity as a subcontractor); and

(E) an employee, agent, or assign of an entity specified in subparagraphs (A) through (D);

(2) to—

(A) the covered employee;

(B) the covered employee's legal representative, spouse, dependents, survivors and next of kin; and

(C) any other person, including any third party as to whom the covered employee has a cause of action relating to the cancer (including a specified cancer), chronic silicosis, covered beryllium illness, or death, otherwise entitled to recover damages from the United States, the instrumentality, the contractor, the subcontractor, or the employee, agent, or assign of one of them;

because of the cancer (including a specified cancer), chronic silicosis, covered beryllium illness, or death in any proceeding or action including a direct judicial proceeding, a civil action, a proceeding in admiralty, or a proceeding under a tort liability statute or the common law.

(b) APPLICABILITY.—This section applies to all cases filed on after July 31, 2000.

(c) WORKERS' COMPENSATION.—This section does not apply to an administrative or judicial proceeding under a State or Federal workers' compensation statute subject to sections 3534 through 3538.

SEC. 3540 ELECTION OF REMEDY AGAINST BERYLLIUM VENDORS AND ATOMIC WEAPONS EMPLOYERS.

(a) BERYLLIUM VENDORS.—If an individual elects to accept payment under this title with respect to a covered beryllium illness or death of a covered employee, that acceptance of payment shall be in full settlement of all tort claims related to such covered beryllium illness or death—

(1) against—

(A) a beryllium vendor or a contractor or subcontractor of a beryllium vendor; and

(B) an employee, agent, or assign of a beryllium vendor or of a contractor or subcontractor of a beryllium vendor;

(2) by—

(A) that individual;

(B) that individual's legal representative, spouse, dependents, survivors, and next of kin; and

(C) any other person, including any third party as to whom a covered employee has a cause of action relating to the covered beryllium illness or death, otherwise entitled to recover damages from the beryllium vendor, the contractor or subcontractor of the beryllium vendor, or the employee, agent, or assign of the beryllium vendor, of the contractor or subcontractor of the beryllium vendor;

that arise out of the covered beryllium illness or death in any proceeding or action including a direct judicial proceeding, a civil action, a proceeding in admiralty, or proceeding under a tort liability statute or the common law.

(b) ATOMIC WEAPONS EMPLOYER.—If an individual elects to accept payment under this title with respect to a cancer (including a specified cancer) or death of a covered employee, that acceptance of payment shall be in full settlement of all tort claims—

(1) against—

(A) an atomic weapons employer; and

(B) an employee, agent, or assign of an atomic weapons employer;

(2) by—

(A) that individual;

(B) that individual's legal representative, spouse, dependents, survivors, and next of kin; and

(C) any other person, including any third party as to whom a covered employee has a cause of action relating to the cancer (including a specified cancer) or death, otherwise entitled to recover damages from the atomic weapons employer, or the employee, agent, or assign of the atomic weapons employer;

that arise out of the cancer (including a specified cancer) or death in any proceeding or action including a direct judicial proceeding, a civil action, a proceeding in admiralty, or proceeding under a tort liability statute or the common law.

(c) APPLICABILITY.—

(1) IN GENERAL.—With respect to a case filed after the date of enactment of this title, alleging liability of—

(A) a beryllium vendor or a contractor or subcontractor of a beryllium vendor for a covered beryllium illness or death of a covered beryllium employee; or

(B) an atomic weapons employer for a cancer (including a specified cancer) or death of a covered employee;

the plaintiff shall not be eligible for benefits under this title unless the plaintiff files such case within the applicable time limits in paragraph (2).

(2) TIME LIMITS.—

(A) SUITS AGAINST BERYLLIUM VENDORS.—Except as provided in subparagraph (B), a case described in paragraph (1)(A) shall be filed not later than the later of—

(i) 180 days after the date of enactment of this title; or

(ii) 180 days after the date the plaintiff first becomes aware that a covered beryllium illness or death of a covered beryllium employee may be connected to the exposure of the covered employee to beryllium in the performance of duty.

(B) NEW DIAGNOSES.—A new period of limitation under subparagraph (A)(ii) shall commence with each new diagnosis of a covered beryllium illness that is different from a previously diagnosed covered beryllium illness.

(C) SUITS AGAINST ATOMIC WEAPONS EMPLOYERS.—Except as provided in subparagraph (D), a case described in paragraph (1)(B) shall be filed not later than the later of—

(i) 180 days after the date of enactment of this title; or

(ii) 180 days after the date the plaintiff first becomes aware that a cancer (including a specified cancer) or death of a covered employee may be connected to the exposure of the covered employee to radiation in the performance of duty.

(D) NEW DIAGNOSES.—A new period of limitation under subparagraph (C)(ii) shall commence with each new diagnosis of a cancer (including a specified cancer) that is different from a previously diagnosed cancer.

(c) WORKERS' COMPENSATION.—This section does not apply to an administrative or judicial proceeding under a State or Federal workers' compensation statute subject to sections 3534 through 3538.

SEC. 3541. SUBROGATION OF THE UNITED STATES.

(a) IN GENERAL.—If a cancer (including a specified cancer), covered beryllium illness, chronic silicosis, disability, or death for which compensation is payable under this title is caused under circumstances creating a legal liability in a person other than the United States to pay damages, sections 8131 and 8132 of title 5, United States Code, shall apply, except to the extent specified in this title.

(b) APPEARANCE OF EMPLOYEE.—For the purposes of this title, the provision in section 8131 of title 5, United States Code, that provides that an employee required to appear as a party or witness in the prosecution of an action described in that section is in an active duty status while so engaged shall only apply to a Federal employee.

SEC. 3542. ENERGY EMPLOYEES' OCCUPATIONAL ILLNESS COMPENSATION FUND.

(a) ESTABLISHMENT.—There is hereby established on the books of the Treasury a fund to be known as the Energy Employees' Occupational Illness Compensation Fund. The Secretary of the Treasury shall transfer to the Fund from the general fund of the Treasury the amounts necessary to carry out the purposes of this title.

(b) USE OF THE FUND.—Amounts in the Fund shall be used for the payment of compensation under this title and other benefits and expenses authorized by this title or any extension or application thereof, and for payment of all expenses of the administration of this title.

(c) COST DETERMINATIONS.—(1) Within 45 days of the end of every quarter of every fiscal year, the Secretary of Labor shall determine the total costs of compensation, benefits, administrative expenses, and other payments made from the Fund during the quarter just ended; the end-of-quarter balance in the Fund; and the amount anticipated to be needed during the immediately succeeding two quarters for the payment of compensation, benefits, and administrative expenses under this title.

(2) In making the determination under paragraph (1), the Secretary of Labor shall include, without amendment, information provided by the Secretary of Energy and the Secretary of Health and Human Services on the total costs and amounts anticipated to be needed for their activities under this title.

(3) Each cost determination made in the last quarter of the fiscal year under paragraph (1) shall show, in addition, the total costs of compensation, benefits, administrative expenses, and other payments from the Fund during the preceding 12-month expense period and an estimate of the expenditures from the Fund for the payment of compensation, benefits, administrative expenses, and other payments for each of the immediately succeeding two fiscal years.

(d) ASSURING AVAILABLE BALANCE IN THE FUND.—Upon application of the Secretary of Labor, the Secretary of the Treasury shall advance such sums from the Treasury as are projected by the Secretary of Labor to be necessary, for the period of time equaling the date of a projected deficiency in the Fund through 90 days following the end of the fiscal year, for the payment of compensation and other benefits and expenses authorized by this title or any extension or application thereof, and for payment of all expenses of administering this title.

SEC. 3543. EFFECTIVE DATE.

This title is effective upon enactment, and applies to all claims, civil actions, and proceedings pending on, or filed on or after, the date of enactment of this title.

SEC. 3544. TECHNICAL AND CONFORMING AMENDMENTS.

(a) Section 1920 of title 18 is amended by inserting in the title ''or Energy employee's'' after ''Federal employee's'' and by inserting ''or the Energy Employees' Occupational Illness Compensation Act of 2000'' after ''title 5''.

(b) Section 1921 of title 18 is amended by inserting in the title ''or Energy employees'' after ''Federal employees'' and by inserting ''or the Energy Employees' Occupational Illness Compensation Act of 2000'' after ''title 5''.

(c) Section 210(a)(1) of the Energy Reorganization Act of 1974 (42 U.S.C. 5851(a)(1)) is amended by—

(1) in subparagraph (E), striking ''or;'' and inserting ''; '',

(2) in subparagraph (F), striking the period and inserting ''; or'', and

(3) after subparagraph (F) inserting a new subparagraph as follows:

''(G) filed an application for benefits or assistance under the Energy Employees Occupational Illness Compensation Act of 2000''.

(d) Title II of the Department of Energy Organization Act (P.L. 95–91) is amended by adding at the end of the title the following:

''OFFICE OF WORKERS' COMPENSATION ADVOCATE

''SEC. 217. (a) There shall be within the Department an Office of Workers' Compensation Advocate. The Office shall be headed by a Director who shall be appointed by the Secretary. The Director shall be compensated at the rate provided for in level IV of the Executive Schedule under section 5315 of title 5, United States Code.

''(b) The Director shall be responsible for providing information, research reports, and studies to support the implementation of the Energy Employees' Occupational Illness Compensation Act of 2000. Not later than 90 days after the date of enactment of this section, the Director shall enter into memoranda of agreement to provide for coordination of the efforts of the office with the Department of Labor and the Department of Health and Human Services.

''(c) The Director shall coordinate efforts within the Department to collect and make available to present and former employees of the Department and its predecessor agencies, present and former employees of contractors and subcontractors to the Department and its predecessor agencies, and other individuals who are or were present at facilities owned or operated by the Department or its predecessor agencies information on occupational conditions and exposures to health hazards. Such information shall include information on substances and their chemical forms to which employees may have been exposed, records and studies relevant to determining occupational hazards, raw dosimetry and industrial hygiene data, results from medical screening programs, accident and other relevant occurrence reports, and reports, assessments, or reviews by contractors, consultants, or external entities relevant to assessing risk of occupational hazards or illness.

''(d) If the Director determines that—

''(1) an entity within the Department or an entity that is the recipient of a Departmental grant, contract, or cooperative agreement possesses information necessary to carry out the provisions of the Energy Employees' Occupational Illness Compensation Act of 2000; and

''(2) the production and sharing of that information under the provisions of the Energy Employees' Occupational Illness Compensation Act of 2000 is being unreasonably delayed;

the Director shall have the authority, notwithstanding section 3213 of the National Nuclear Security Administration Act, to direct such entity to produce expeditiously such information in accordance with the provisions of this section and the Energy Employees' Occupational Illness Compensation Act of 2000.

''(e) The Director shall take actions to inform and assist potential claimants under the Energy Employees' Occupational Illness Compensation Act of 2000, pursuant to section 3515(e) of such Act.''.

NATIONAL DAY OF REMEMBRANCE

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 336 submitted earlier today by Senator SNOWE.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 336) expressing the sense of the Senate regarding the contributions, sacrifices, and distinguished service of Americans exposed to radiation or radioactive material as a result of service in the Armed Forces.

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

Ms. SNOWE. Mr. President, this resolution is introduced to honor veterans exposed to radiation while serving in the U.S. military.

As many of my colleagues are no doubt aware, many veterans, veterans organizations, and scientists believe that exposure to environmental toxins or unknown diseases during military service has left thousands of veterans vulnerable to an array of disabilities and medical conditions. Over the years, Congress has responded to the concerns of veterans with claims resulting from service in nuclear testing areas, as well as Vietnam veterans suffering from exposure to Agent Orange, and Persian

Gulf veterans suffering with the Persian Gulf War Illness. Authority for the Department of Veterans Affairs to provide health care for diseases possibly linked to radiation has been made permanent.

The Department of Veterans Affairs is authorized by Congress to provide special priority for enrollment for health services to any veteran exposed to ionizing radiation while participating in the nuclear weapons testing program, or if he or she served with the U.S. occupation forces in Hiroshima or Nagasaki. These veterans are eligible to participate in the VA ionizing radiation registry examination program, under which the VA will perform a complete physical examination, including all necessary tests, for each veteran who requests it. The VA also pays compensation to veterans and their survivors if the veteran is determined to have a disability due to radiation exposure while in service.

Unfortunately, Mr. President, with some disorders, evidence of a service-connection is simply not conclusive. That is why Congress has in some cases permitted a ''presumption'' of a service-connection, so that veterans can be provided much-needed care, and given appropriate compensation, while science endeavors to verify whether a correlation can be established between military service and the subsequent development of a given medical disorder.

Authority for the Department of Veterans Affairs to provide medical treatment for diseases possibly linked to radiation has been made permanent by Congress. In 1987, Congress found that due to the fact that the evidence of exposure-level risk could not be conclusively verified, our national veterans benefits policy should depend on correlation of various diseases with radiation exposure. Public Law 100–321 included language establishing a presumption that 13 diseases would be presumed to be service-connected if they developed in veterans whose service histories included active duty in a ''radiation-risk activity.'' Since 1987, the list established under Public Law 100–321 has been expanded to include additional diseases, totalling approximately 16.

Mr. President, the resolution I am introducing today would recognize the contributions, sacrifices, and distinguished service of Americans exposed to radiation or radioactive materials in the line of military duty and authorize a day of remembrance for these men and women.

From 1945 to 1963, the U.S. exploded approximately 235 nuclear devices, potentially exposing an estimated 220,000 military personnel to unknown levels of radiation. In addition, roughly 195,000 servicemembers have been identified as participants in the post-WWII occupation of Hiroshima and Nagasaki, Japan. Many of these veterans claimed that low levels of radiation released during the testing, or exposure to radiation in service in Hiroshima and Nagasaki, may be a cause of certain medical conditions that have developed since that service.

Under my resolution, Sunday July 16, 2000, the 55th anniversary of the first atomic explosion—the Trinity Shot in New Mexico—is designated as a ''National Day of Remembrance'' honoring veterans exposed to radiation in the line of military duty, and the President is urged to issue a proclamation observing the day and paying tribute to these Americans who have had to fight so hard to get the recognition and benefits they deserve. The measure also expresses the sense of the Senate that the Department of Veterans Affairs should take steps to ensure that veterans exposed to radiation in service to their country are awarded the benefits and services they deserve.

Mr. President, the nation has a solemn responsibility to veterans who are injured, or who incur a disease, while serving in the military, including the provision of health care, cash payments, and other benefits that may be awarded to veterans who experience disabilities resulting from military service. This precedent is well-established and should not be undercut or weakened.

I hope that my colleagues will join me in a strong show of support for this resolution and the men and women exposed to radiation in the line of duty.

Thank you, Mr. President, and I yield the floor.

Mr. NICKLES. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution be printed in the RECORD.

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

The resolution (S. Res. 336) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 336

Whereas the Nation has a responsibility to veterans who are injured, or who incur a disease, while serving in the Armed Forces, including the provision of health care, cash compensation, and other benefits for such disabilities;

Whereas from 1945 to 1963, the United States conducted test explosions of approximately 235 nuclear devices, potentially exposing approximately 220,000 members of the Armed Forces to unknown levels of radiation, and approximately 195,000 members of the Armed Forces have been identified as participants in the occupation of Hiroshima and Nagasaki, Japan, after World War II;

Whereas many of these veterans later claimed that low levels of radiation released during such tests, or exposure to radiation during such occupation, may be a cause of certain medical conditions; and

Whereas Sunday, July 16, 2000, is the 55th anniversary of the first nuclear explosion, the Trinity Shot in New Mexico: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) July 16, 2000, should be designated as a ''National Day of Remembrance'' in order to honor veterans exposed to radiation or radioactive materials during service in the Armed Forces; and

(2) the contributions, sacrifices, and distinguished service on behalf of the United States of the Americans exposed to radiation or radioactive materials while serving in the Armed Forces are worthy of solemn recognition.

PROGRAM

Mr. NICKLES. Mr. President, I would like to put all Members on notice that just under 40 amendments were filed on the marriage penalty reconciliation bill. Those votes will occur in stacked sequence beginning at 6:15 p.m. on Monday. Therefore, all Senators should prepare for a late night session on Monday with a lot of recorded votes.

Mr. REED. Mr. President, if I could ask my friend to yield, we have 40 amendments filed. I hope the Senator will work on his side as we will on our side. There is some duplication. It may not be necessary to have votes on each amendment. There may be other things that develop during Monday. We may not need all of those votes.

Mr. NICKLES. Mr. President, I concur with my friend and colleague from Nevada. I think for a lot of these amendments recorded votes are not necessary. A lot of these amendments will fall on procedure because they won't be germane to the reconciliation bill.

I will work with my friend from Nevada energetically to reduce the number of amendments on this side, as I am sure he will on the other side, to see if we can't expedite the matter and finish this reconciliation bill to provide marriage penalty relief for married couples, and hopefully complete it on Monday evening.

Mr. President, as a reminder, stacked votes are scheduled also for 9:45 a.m. on Tuesday with respect to the Interior bill. Therefore, Members should plan to stay in or around the Senate Chamber for those stacked votes on Tuesday morning as well. It is our intention to complete the interior bill on Tuesday and move to other matters.

We are going to have a busy couple of weeks. We had a fruitful week this week. We passed the Defense authorization bill. We almost completed the Interior bill. We completed the repeal of the death tax bill. This has been a good week. We have 2 more weeks prior to the August recess, which are going to be very aggressive. Next week we plan to take up the energy and water appropriations bill and the Agriculture appropriations bill.

ORDER FOR ADJOURNMENT

Mr. NICKLES. Mr. President, seeing no other Senators desiring to speak, I ask unanimous consent that the Senate stand in adjournment under the previous order following the remarks of Senators WELLSTONE and BRYAN.

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

BBA RELIEF

Mr. WELLSTONE. Mr. President, since its passage in 1997, the BBA has drastically cut Medicare payments in the areas of hospital, home health and skilled nursing care services, among others.

While the reductions were originally estimated at around $100 billion over five years, recent figures put the actual cuts in Medicare payments at over $100 billion.

These cuts have consequences. Beneficiaries with medically complex needs face increase difficulty in accessing skilled nursing care. Hospital discharge planners have greater difficulty obtaining home health services for Medicare beneficiaries as a result of the BBA. Rural Hospital margins have dropped four percentage points continuing a dangerous trend that threatens access to care in rural America.

Last year, Congress acknowledged that the Medicare savings that resulted from the 1997 Balanced Budget Act went far beyond what we intended, and passed the Balanced Budget Refinement Act (BBRA) but it didn't go nearly far enough.

With actual cuts in payment of $200 billion from the BBA, the BBRA reversed at best only 10% of these actual cuts in payment to providers caused by the BBA,

My state of Minnesota has been hit very hard by the BBA cuts, and last year's fix hasn't stopped the pain. As I said when I voted against the BBA, the cuts are too harsh and they will hurt our health care system. Both urban safety net hospitals and rural hospitals are feeling the pain. They are cutting back services, they are short staffed, like the hospital in Aurora, MN are faced with closing if they can't find a way to restructure so that their reliance on Medicare is not so great.

My colleagues should be aware that in rural Minnesota typically 70% of the revenue for rural hospitals is from Medicare and Medicaid. Hospitals are often the largest employers in these communities and new businesses won't locate in a community if it doesn't have a hospital. You can't blame them.

In addition these hospitals are critical to the tourism industry, which in my state is made up largely of mom and pop resorts, restaurants, lodges, canoe outfitters, fishing guides, cross country ski lodges as well as the downhill ski areas, snow mobile trails, vendors who cater to hunters and fishermen and women, bicyclists who use our state trails, the list is a long one.

When these folks become sick or are injured while out in the wilderness, on the water, on the ski hill or while hunting, they need a local hospital to treat their injury or illness. In our state of Minnesota these front line health care providers are small rural hospitals in communities like Cook, Grand Marais, Ely and Teo Harbors. We can't fly out all the people with broken bones or heart attacks during a blizzard, or in the fog. We need hospitals there to provide the care.

Northwestern Minnesota has been hit again by flooding this year. I don't know how many years in a row this has happened. We need health care there in these communities for farm families who are struggling with the farm economy, the weather and a health care crisis in their family. The hospitals in Northwestern Minnesota are on the razors edge of staying open. These BBA cuts hit them hard and hurt them badly.

Southwestern Minnesota is a part of my state that relies on the farm economy. When families are not making any money at farming like this year and last year, whether it be collapsed hog prices, milk, or grain prices, through no fault of their own they don't have money to buy good insurance, the counties' revenue from property taxes that supports the rural county hospitals can't keep up and if Medicare isn't there with a fair level of reimbursement, they face the possibility of closing as well.

There has been a tremendous number of closings in home health care in Minnesota. The cuts we made were extreme. People who could be taken care of at home are now kept longer in the more costly hospital setting simply because there is no one to provide the home care.

But let me focus on the White Community Hospital in Aurora, Minnesota. This is a hospital that serves an iron ore mining community in Northeast Minnesota. The miners in this community and others in communities across Minnesota's iron range mined the ore that was turned into steel and built our cites in the twentieth century, made the cars, and the rails. They are the hear and soul of America. They or their parents came to this country, fleeing oppression in many European countries, they have a strong patriotism, a powerful work ethic and a community second to none in the United States. When I visited them last week to hear about the struggle they are engaged in to keep their hospital open I didn't over promise, but I did promise I would do everything I could to help them in their fight. And I will. The BBA is hurting them. It is an anchor around the neck of their hospital. They are fighting for their hospital and we can't turn our back on them.

I have co-sponsored numerous pieces of legislation to restore additional funds to Medicare providers, but what we need is comprehensive BBA relief and our constituents, our hospitals, our nursing homes, and our home health agencies cannot wait.

When Medicare fails to pay its share, it threatens health care for all patients. Reduced Medicare payments are contributing to decisions by many providers and insurers that threaten Medicare beneficiaries' access to care, including staff layoffs, reductions in services, or even outright facility closures or decisions to withdraw from the Medicare program. As we all know, entire communities suffer when such actions take place.

We need comprehensive and substantial relief for community hospitals, teaching hospitals, rural hospitals, home health agencies, and skilled nursing facilities, among others—and we need it now, before Congress adjourns before the August recess.

This amendment simply sates that it is the sense of the Senate that by the end of the 106th Congress, Congress shall revisit and restore a substantial portion of the reductions in Medicare payments to providers caused by enactment of the BBA of 1997

I wish to let colleagues know that I am going to call for a vote on an amendment Monday evening that deals with the drastic reduction of Medicare payments in the areas of hospital and home health care, and also skilled nursing care.

In 1997, we passed the balanced budget amendment, and the reductions in Medicare over a 5-year period were estimated to be around $100 billion. The recent figure is going to be about $200 billion.

Last year, we tried to do a ''fix,'' and we passed what was called the Balanced Budget Refinement Act. But basically what it did was restore about 10 percent of the actual cuts that we have made. I could say this in a more complete way, but what I want to do right now is just say to colleagues that my amendment is going to deal with these cuts. Either it is going to be a sense of the Senate that says by the end of the session, we have to restore some of this assistance, some of this money to our providers and to our patients and to the consumers, and/or I could have another amendment that says if we do not do that, there needs to be a freeze in the cuts.

I am sure the Presiding Officer has heard of this in Alabama. I think you hear it in Nevada. I hear it in Minnesota. You hear it all across the country. In Minnesota, especially in our rural communities, whether it is White Hospital in the Iron Range in the White Lakes, whether it is southwest Minnesota, whether it is west central Minnesota, especially in our rural communities—we are going to lose these hospitals. They lost anywhere from 50 to 70 percent of their payment on Medicaid and Medicare.

Colleagues, in 1997, I don't know what we were thinking when we voted for this. I think it was a big mistake. I did not vote for it. Others voted for it in good faith. Right now, what we are hearing is that these hospitals are not going to be able to provide the care. They are going to go under. These nursing homes are not going to be able to make it. We have seen severe cuts and cutbacks of services in home health care.

The point is this: Yes, it is true the hospitals and nursing homes are important employers in these communities, so there are jobs. Yes, it is true the same thing could be said for home health care. But the worst part of it is we are talking about a dramatic decline in the quality of care for people.

In a lot of communities, especially in rural America, this is the death knell for our communities. It is hard enough for people to struggle to earn a decent living, but people can't stay in the communities if there is not good health care and if there is not good education available. Right now, we do not have that, if these hospitals shut down.

This amendment is an amendment that speaks to these cuts. It will be an amendment based upon many meetings I have had with community people all across Minnesota. I think it is an amendment that all my colleagues, hopefully, will support because when Medicare does not pay its share, it is a threat to the health care for patients and it also has a dramatic negative effect on our communities as well.

I want to bring this to the attention of colleagues. I hope there will be a strong vote for this amendment. There is some discussion we are not going to do anything about this. But we never should have voted for cuts that are this severe. This has had just the harshest consequences. It was a mistake and we have to restore this funding.

MASSACRES IN COLOMBIA

Mr. WELLSTONE. Mr. President, I want to bring something to the attention of the Senate today. Even though most Senators are gone, I want to do this because I think it should be done in as public a way as possible. I bring to the attention of colleagues a piece in the New York Times. It is a front-page story, ''Colombians Tell of Massacre, as Army Stood By.''

When you read this story, there will be tears in your eyes. I don't know whether they will be tears of sadness or tears of anger. I will read just the first few paragraphs:

EL SALADO, Colombia.—The armed men, more than 300 of them, marched into this tiny village early on a Friday. They went straight to the basketball court that doubles as the main square, residents said, announced themselves as members of Colombia's most feared right-wing paramilitary group, and with a list of names began summoning residents for judgment.

A table and chairs were taken from a house, and after the death squad leader had made himself comfortable, the basketball court was turned into a court of execution, villagers said. The paramilitary troops ordered liquor and music, and then embarked on a calculated rampage of torture, rape and killing.

''To them, it was like a big party,'' said one of a dozen survivors who described the scene in interviews this month. ''They drank and danced and cheered as they butchered us like hogs.''

By the time they left, late the following Sunday afternoon, they had killed at least 36 people whom they accused of collaborating with the enemy, left-wing guerrillas who have long been a presence in the area. The victims, for the most part, were men, but others ranged from a 6-year-old girl to an elderly woman. As music blared, some of the victims were shot after being tortured; others were stabbed or beaten to death, and several more were strangled.

Yet during the three days of killing last February, military and police units just a few miles away made no effort to stop the slaughter, witnesses said. At one point, they said, the paramilitaries had a helicopter flown in to rescue a fighter who had been injured trying to drag some victims from their home.

Instead of fighting back, the armed forces set up a roadblock on the way to the village shortly after the rampage began, and prevented human rights and relief groups from entering and rescuing residents.

While the Colombian military has opened three investigations into what happened here and has made some arrests of paramilitaries, top military officials insist that fighting was under way in the village between guerrillas and paramilitary forces—not a series of executions. They also insist that the colonel in charge of the region has been persecuted by government prosecutors and human rights groups. Last month he was promoted to general, even though examinations of the incidents are pending.

I ask unanimous consent the entire article be printed in the RECORD.

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

[From the New York Times, July 14, 2000]

VILLAGERS TELL OF A MASSACRE IN COLOMBIA, WITH THE ARMY STANDING BY

(By Larry Rohter)

EL SALADO, COLOMBIA.—The armed men, more than 300 of them, marched into this tiny village early on a Friday. They went straight to the basketball court that doubles as the main square, residents said, announced themselves as members of Colombia's most feared right-wing paramilitary group, and with a list of names began summoning residents for judgment.

A table and chairs were taken from a house, and after the death squad leader had made himself comfortable, the basketball court was turned into a court of execution, villagers said. The paramilitary troops ordered liquor and music, and then embarked on a calculated rampage of torture, rape and killing.

''To them, it was like a big party,'' said one of a dozen survivors who described the scene in interviews this month. ''They drank and danced and cheered as they butchered us like hogs.''

By the time they left, late the following Sunday afternoon, they had killed at least 36 people whom they accused of collaborating with the enemy, left-wing guerrillas who have long been a presence in the area. The victims, for the most part, were men, but others ranged from a 6-year-old girl to an elderly woman. As music blared, some of the victims were shot after being tortured; others were stabbed or beaten to death, and several more were strangled.

Yet during the three days of killing last February, military and police units just a few miles away made no effort to stop the slaughter, witnesses said. At one point, they said, the paramilitaries had a helicopter flown in to rescue a fighter who had been injured trying to drag some victims from their home.

Instead of fighting back, the armed forces set up a roadblock on the way to the village shortly after the rampage began, and prevented human rights and relief groups from entering and rescuing residents.

While the Colombian military has opened three investigations into what happened here and has made some arrests of paramilitaries, top military officials insist that fighting was under way in the village between guerrillas and paramilitary forces—not a series of executions. They also insist that the colonel in charge of the region has been persecuted by government prosecutors and human rights groups. Last month he was promoted to general, even though examinations of the incidents are pending.

What happened in El Salado last February—at the same time that President Clinton was pushing an aid package to step up antidrug efforts here—goes to the heart of the debate over the growing American backing of the Colombian military. For years the United States government and human rights groups have had reservations about the Colombian military leadership, its human rights record and its collaboration with paramilitary units.

The Colombian Armed Forces and police are the principal beneficiaries of a new $1.3 billion aid package from Washington. The Colombian government says it has been working hard to sever the remnants of ties between the armed forces and the paramilitaries and has been training its soldiers to observe international human rights conventions even during combat.

''The paramilitaries are some of the worst of the terrorists who profit from drugs in Colombia, and in no way can anyone justify their human rights violations,'' said Gen. Barry R. McCaffrey, the White House drug policy director. But he said ''the Colombian military is making dramatic improvements in its human rights record,'' and noted that the aid package includes ''significant money, $46 million, for human rights training and implementation.''

But human rights groups, pointing to incidents like the massacre here, say these links still exist and that mechanisms to monitor and punish commanders and units have had limited success at best.

''El Salado was the worst recorded massacre yet this year,'' said Andrew Miller, a Latin American specialist for Amnesty International USA, who spent the past year as an observer near here. ''The Colombian Armed Forces, specifically the marines, were at best criminally negligent by not responding sooner to the attack. At worst, they were knowledgeable and complicit.''

The paramilitary attack on El Salado killed more people and lasted longer than any other in Colombia this year. But in most other respects it was an operation so typical of the 5,500-member right-wing death squad that goes by the name of the Peasant Self-Defense of Colombia that the Colombian press treated it as just another atrocity.

The paramilitary groups were founded in the early 1980's, mostly funded by agricultural interests to protect them from extortion and kidnapping by the left-wing guerrillas. The groups were declared illegal over a decade ago, but have continued to operate, often with clandestine military support and intelligence, and in recent years have become increasingly involved in drug trafficking.

Over the past 18 months, more than 2,500 people, most of them unarmed peasants in rural areas like this village in northern Colombia, have died in more than 500 attacks by what the Colombian government calls ''illegal armed groups'' involved in the country's 35-year-old civil conflict. And according to the government, right-wing paramilitary groups are responsible for most of those killings.

Since the El Salado massacre, nearly 3,000 residents of the area have fled to nearby towns, including El Carmen de Bolivar and Ovejas, as well as the provincial capital, Cartagena. Early this month, more than a dozen of the survivors were interviewed in the towns where they have taken refuge under the protection of human rights groups or the Roman Catholic Church.

Despite efforts to protect them, however, some have recently been killed in individual

attacks or have disappeared, actions for which the same paramilitary group that attacked their village has been blamed. As a result, all of the survivors interviewed for this story spoke on condition that their names not be used.

Their accounts, however, coincide with investigations conducted by the Colombian government prosecutor's office and by the Colombia office of the United Nations high commissioner for human rights.

Members of a paramilitary unit had attacked this village in 1997, killing five people and warning that they would eventually come back. Many residents fled then, but returned after a few months believing that they were safe until the death squad suddenly reappeared on the morning of Feb. 18.

''I looked up at the hills, and could see armed men everywhere, blocking every possible exit,'' a farmer recalled. ''They had surrounded the town, and almost as soon as they came down, they began firing their guns and shouting, 'Death to the guerrillas.'''

The death squad troops, almost all dressed in military-style uniforms with a blue patch, made their way to the basketball court at the center of the village. The took tables and chairs from a nearby building, pulled out a list of names and began the search for victims.

''Some people were shot, but a lot of them were beaten with clubs and then stabbed with knives or sliced up with machetes,'' one witness said. ''A few people were beheaded, or strangled with metal wires, while others had their throats cut.''

The list of those to be executed was supplied by two men, one wearing a ski mask. Paramilitary leaders, who have acknowledged the attack on El Salado but describe it as combat with the Revolutionary Armed Forces of Colombia, known as the FARC, said the two were FARC deserters who had dealt with local people and knew who had been guerrilla sympathizers.

''It was all done very methodically,'' one witness said. ''Some people were brought to the basketball court, but were saved because someone would say, 'Not that one,' and they would be allowed to leave. But I saw a woman neighbor of mine, who I know had nothing at all to do with the guerrillas, knocked down with clubs and then stabbed to death.''

While some paramilitaries searched for people to kill, others were breaking into shops and stealing beer, rum and whisky. Before long, a macabre party atmosphere prevailed, with the paramilitaries setting up radios with dance music and ordering a local guitarist and accordionist to play.

In addition, a young waitress from a cantina adjoining the basketball court was ordered to keep a steady supply of liquor flowing. As the armed men grew drunk and rowdy, they repeatedly raped her, along with several other women, according to residents and human rights groups.

As night fell, some residents fled to the wooded hills above town. Others, however stayed in their homes, afraid of being caught if they tried to escape, unable to move because they had small children, or convinced that they would not be harmed.

Saturday was more of the same. ''All day long we could hear occasional bursts of gunfire, along with the screams and cries of those who were being tortured and killed,'' said a women who had taken refuge in the hills with her small children.

Of the 36 people killed in town, 16 were executed at the basketball court. And additional 18 people were killed in the countryside, residents and human rights workers said, and 17 more are still missing, making for a death toll that could be as high as 71.

By Friday afternoon, however, news of the slaughter had spread to El Carmen de Bolivar, about 15 miles away. Relatives of El Salado residents rushed to local police and military posts, but were rebuffed.

''We made a scandal and nearly caused a riot, we were so insistent,'' said a 40-year-old-man who had left El Salado early on Friday because he had business in town. ''But they did nothing to help us.''

Besides not coming to the aid of villagers here, the armed forces and the police set up roadblocks that prevented others from entering the town to help. Anyone seeking to enter the area was told the road was unsafe because it had been mined and that combat was going on between guerrilla and paramilitary units.

In a telephone interview, three Colombian Navy admirals said that residents of El Salado were accusing the military of complicity in the massacre because they have been coerced by guerrillas. The roadblock was set up, they said, to prevent more deaths or injuries to civilians.

''At no point was there collaboration on our part, nor would we have permitted their passage'' through the area, Adm William Porras, the second in command of the Colombian Navy, said on the death squad unit. ''We never at any point were covering up for them or helping them, as all the subsequent investigations have shown.''

But local residents, Colombian prosecutors investigating the massacre and human rights groups say there was no combat. Villagers say that the armed forces had not been in the center of El Salado recently, and that they had left the outlying areas a day before. Residents also say they had passed over the dirt road that Friday morning and there were no mines.

''The army was on patrol for two or three days before the massacre took place, and then suddenly they disappeared,'' recalled a 43-year-old tobacco farmer. ''It can't be explained, and it seems very curious to me.''

What has been established is that the villagers were simple peasants, and not the guerrillas the paramilitary leader says his troops were fighting. ''It is quite clear that these were defenseless people and that what they were subjected to was not combat, but abuse and torture,'' said a foreign diplomat who has been investigating.

Residents said the paramilitaries felt so certain that government security forces would stay away that late on Friday they had a helicopter flown in. It landed in front of a church and picked up a death squad fighter who was injured when a family he was trying to drag out of their house to be taken to the basketball court resisted.

In a report published last February, Human Rights Watch found ''detailed, abundant and compelling evidence of continuing close ties between the Colombian Army and paramilitary groups responsible for gross human rights violations.'' All told, ''half of Colombia's 18 brigade-level units have documented links to paramilitary activity,'' the report concluded.

''Far from moving decisively to sever ties to paramilitaries, Human Rights Watch's evidence strongly suggests that Colombia's military high command has yet to take the necessary steps to accomplish this goal,'' the report stated.

At the time of the El Salado massacre, the senior military officer in this region was Col. Rodrigo Quinones Cardenas, commander of the First Navy Brigade, who has since been promoted to general. As director of Naval Intelligence in the early 1990's, he was identified by Colombian prosecutors as the organizer of a paramilitary network responsible for the killings of 57 trade unionists, human rights workers and members of a left-wing political party.

In 1994, Colonel Quinones and seven other soldiers were charged with ''conspiring to form or collaborate with armed groups.'' But after the main witness against him was killed in a maximum security prison and the case was moved from a civilian court to a military tribunal, the colonel was acquitted.

According to the same investigation by Colombian prosecutors, one of Colonel Quinones's closest associates in that paramilitary network was Harold Mantilla, a colonel in the Colombian Marines. Today, Colonel Mantilla is commander of the Fifth Marine Battalion, which operates in the area around El Salado and is one of the units said by residents and human rights workers to have failed to respond to appeals for help.

After the paramilitary unit left El Salado, the police captured 11 paramilitaries northeast of here on the ranch of a drug trafficker who is in prison in Bogota. Along with four others who were arrested separately, they are facing murder charges, but their leaders and most of the others who carried out the killings remain free.

More than four months after the massacre, El Salado is virtually deserted. Only one of the town's 1,330 original residents was present when a reporter and human rights workers visited early this month, and he said the village remains as it was the day the death squad left, except for the two mass graves on a rise near the basketball court where the bodies were buried and later exhumed for investigators.

The tables and chairs used by the paramilitary ''judges,'' smashed or overturned as they left, are still strewn across the basketball court.

''I don't know if the people are ever going to want to come back again,'' the resident said. ''What happened here was just too terrible to bear, and we didn't deserve it.''

Mr. WELLSTONE. We just voted, with essentially no strings attached, to be involved in a military operation in Colombia with the money going for a military operation, to a military that does not lift a finger while these paramilitary death squads go in and massacre innocent people. I say to Senators, Democrats and Republicans, this is no longer Colombia's business. This is our business because we now have provided the money for just such a military, which is complicit, not only in human rights violations—I spoke about this on the floor of the Senate—but in this particular case in the murder of innocent people, including small children.

I ask unanimous consent to have printed in the RECORD a letter I sent to Secretary Albright.

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

U.S. SENATE,
Washington, DC, July 14, 2000.

Hon. MADELEINE K. ALBRIGHT,
Secretary of State,
U.S. Department of State,
Washington, DC.

DEAR SECRETARY ALBRIGHT: I write to express my profound concern over the reported murder and disappearance of 71 civilians in February in El Salado and six civilians this past weekend in La Union, Colombia. Both massacres were allegedly committed by paramilitary groups in collaboration with members of the Colombia Armed Forces. I urge you to move swiftly to investigate these claims and to ensure that those involved in these atrocities are brought to justice.

According to a report today in the New York Times, on February 17th a paramilitary group killed 36 people in El Salado, sixteen of which were executed in the town's basketball court. Another 18 were killed in the surrounding countryside, and 17 are still missing. At the time of the massacre, the senior military office in the region was Col. Rodrigo Quinones Cardenas, commander of the First Navy Brigade, who has since been promoted to general. Not only did military and police units in the area not come to the aid of the villagers, they allegedly set up road blocks which prevented others from entering the town to provide assistance to the victims. While the evidence in this case strongly indicates the link between the armed forces and the paramilitaries in the massacre at El Salado, it clearly confirms a negligence of the duty of the Colombian military and police to protect the civilian population. Similarly, on July 8, helicopters and soldiers from the Colombian 17th Army Brigade appear to have facilitated killings of six men by a paramilitary unit in La Union.

Yesterday, the President signed a bill that will provide approximately $1 billion in emergency supplemental assistance to the Colombian government to support its counter narcotics efforts. During the debate in Congress over Plan Colombia, I and many of my colleagues objected to the plan's military component, the ''Push into Southern Colombia,'' given the detailed and abundant evidence of continuing close ties between the Colombian Army and paramilitary groups responsible for gross human rights violations. The final package was conditioned on the Administration and the Colombian government ensuring that ties between the Armed Forces and paramilitaries are severed, and that Colombian Armed Forces personnel who are credibly alleged to have committed gross human rights violations are held accountable.

Instead of moving decisively to sever ties to paramilitaries, some elements in Colombia's military high command continue to work with paramilitary groups and have yet to take the necessary steps to accomplish that goal. For example, Col. Cardenas was the senior military officer overseeing the El Salado area at the time of the massacre, and was identified by Colombian prosecutors in the early 1990's as the organizer of a paramilitary network responsible for the killings of 57 trade unionist and human workers. Nevertheless, since the killings in El Salado in February, he has received a promotion to general. How does this demonstrate the Colombian military's stated commitment to clean up its house? Is it the policy of the Colombian military to offer promotions to officers involved in incidences about which investigations for human rights abuses are pending?

I am very concerned about the credibility of the vetting process used to insure that Colombian soldiers accused of human rights violations will not serve in the battalions scheduled to receive training from the United States military. It is my understanding that the vetting process checks only for those accusations of direct involvement in human rights violations and does not consider the fact that soldiers may indirectly facilitate abuses. This is reported to have been the case in El Salado.

During the debate surrounding Plan Colombia, the Administration and the Colombian government pledged to work to reduce the production and supply of cocaine while protecting human rights. The continuing reports of human rights abuses in Colombia confirm my grave reservations regarding the Administration's ability to effectively manage the use of the resources that will be provided while protecting the human rights of Colombian citizens. To that end, I respectfully seek answers to the following questions:

(1) How will the Administration ensure a vetting process guaranteeing that Colombians indirectly facilitating human rights violations, as well as those accused of direct violations, will not serve in battalions being trained by the United States military?

(2) What will the Administration do to ensure that the alleged murders and human rights abuses in El Salado are investigated, and that those responsible are prosecuted?

(3) How will the Administration address the needs of the victims at El Salado, including the nearly 3,000 residents displaced by the incident?

Thank you for your attention to this matter. I look forward to your response.

Sincerely,

PAUL D. WELLSTONE,
U.S. Senator.

Mr. WELLSTONE. I conclude this letter:

During this debate surrounding Plan Colombia, the Administration and the Colombian government pledged to work to reduce the production and supply of cocaine while protecting human rights. The continuing reports of human rights abuses in Colombia confirm my grave reservations regarding the Administration's ability to effectively manage the use of the resources that will be provided while protecting the human rights of Colombian citizens. To that end I respectfully seek answers to the following questions.

I respectfully seek answers to the following questions from Secretary Albright.

No. 1, How will the Administration ensure a vetting process guaranteeing that Colombians indirectly facilitating human rights violations, as well as those accused of direct violations, will not serve in battalions being trained by the United States military?

I want an answer to that question from the Secretary of State.

No. 2, What will the Administration do to ensure that the alleged murderers and human rights abuses in El Salado are investigated, and that those responsible are prosecuted?

No. 3, How will the Administration address the needs of the victims at El Salado, including the nearly 3,000 residents displaced by the incident?

Mr. President, I want to conclude by thanking my colleague, Senator BRYAN, for his graciousness, but also by saying to Senators, again, this front-page story—and I just wrote the administration about another massacre just a few days ago in Colombia—this is our business.

We support this government. We are supporting the military operation in the south. We are supporting this military with this kind of record, complicity in this kind of slaughter of innocent people.

I hope Secretary Albright will respond to this letter in an expeditious way. I will continue to come to the floor of the Senate and speak out about what is going on in Colombia. Senator DURBIN is very concerned. Senator REED is very concerned. Senator BIDEN is very concerned. He had a different position on this Colombia aid package. All should speak out, whatever our vote was on this legislation, because this is our business. This is being done, if not directly, indirectly, in our name.

I thank my colleague from Nevada. I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. Mr. President, I am always pleased to yield to my friend and colleague from Minnesota. I know how deeply he feels about these issues. I was happy to provide him the time to speak.

MARRIAGE TAX PENALTY RELIEF RECONCILIATION ACT

Mr. BRYAN. Mr. President, I preface my comments this afternoon by praising the distinguished public service of the ranking member of the Senate Finance Committee, the very able and distinguished senior Senator from New York, Mr. MOYNIHAN. Senator MOYNIHAN is not only a treasure for his own State; he is a national resource. This institution and this country will greatly miss his public service.

His years of experience have provided context and perspective for many of the policy debates in which we have been engaged since I have been a Member of this body and, more specifically, since becoming a member of the Senate Finance Committee and having had the opportunity to meet with him. He always acts in a gracious way, with much charm and considerable Irish wit and humor that makes every meeting of the Senate Finance Committee something special because of his wisdom, his insight, and the manner in which he presents his case.

I am pleased to be supportive of the alternative marriage penalty relief measure of which he is the prime architect, and I will discuss that more in just a moment.

My purpose in coming to the floor this afternoon is to oppose the legislation before us today. I do so with regret because it is my view that it would be possible for us to craft a bipartisan measure which would accomplish the result sought by those of us who believe the marriage penalty is unfair and should be eliminated.

Unfortunately, this measure will pass. It will do so on a partisan vote, and, most assuredly, the President will veto this measure and we will, in effect, have missed an opportunity to alleviate a burden that millions of Americans endure, that is unfair, and that we could correct before this session of the Congress concludes. I regret that very deeply, and I am hopeful we may extricate ourselves from the situation we face.

This measure is described as providing relief from a marriage penalty. Let me say that it sails under false colors. No. 1, it does not provide the relief its advocates contend. No. 2, it provides substantial tax relief to those who are not facing a marriage penalty, who enjoy a marriage bonus, and to at least 29 million others who are not married at all.

Providing relief in these two other categories may be an area of legitimate debate and concern, but it could

hardly be argued that this is providing relief from an onerous marriage penalty. I much appreciate the support of our distinguished chairman of the Finance Committee to provide relief to taxpayers who are currently paying the penalty. As I said, this does much more and, I think in doing so, diminishes our effort to solve the problem.

My own view is that as a result of the surpluses that have accrued, we ought to be paying down the national debt and taking care of the Social Security and Medicare problem that is longstanding and that threatens to engulf us in those outyears as more and more people become eligible for that program. We ought to be providing a prescription drug benefit as part of Medicare and, yes, we ought to be providing some tax relief, but we ought to do so in a very targeted fashion. I believe that appropriately one of those targets is eliminating the marriage penalty, and I will talk more about the specifics of the proposal in just a moment.

The proposal before us not only is not targeted and is misdirected, in my view, it is also enormously costly. Although we are debating this matter in the context of reconciliation, a concept that I suspect is lost on most Americans who may be watching the proceedings of the Senate this afternoon, that is in a 5-year constraint. In point of fact, what we are talking about is a 10-year bill and a 10-year cost.

The proposal the majority advances would cost $248 billion. In my view, we squander much of the surplus that could be devoted to these other priorities and yet fail to achieve what the majority says is its priority, and that is to eliminate the marriage penalty.

Let me talk for a moment about what the marriage penalty is because not everybody perhaps understands it. Because of certain anomalies in the Tax Code, when millions and millions of married couples in which both are wage earners—a situation that has become increasingly frequent in recent years—combine their incomes, some married couples pay a penalty, and that is wrong and we ought to correct that. It is indefensible and, indeed, one can even argue that it is morally improper as well.

Twenty-five million Americans pay a marriage penalty, and that is the target to which I want to address my comments.

Because of the anomalies in the Tax Code, another 21 million Americans receive a marriage bonus; that is, they benefit by reason of the provisions of the Tax Code. In my view, that is not what the target ought to be. Those married couples will, under the provision of the Republican plan, receive a bonus on top of a bonus, and that, it seems to me, ought not be where our priorities are focused.

Let me point, if I may, to the chart to my right. The total cost of this plan, as I indicated, is $248 billion over a 10-year period of time. Note that 40 percent of those who will be beneficiaries under the plan—40 percent receive 40 percent of the $248 billion; 60 percent of that $248 billion goes to those who are in the bonus category; and 23 percent do not have any penalty at all, no impact by virtue of the marriage penalty.

Of the total amount we are providing in the form of tax relief, only 40 percent—substantially less than half—actually is targeted to the marriage penalty. That is on what we ought to be focusing our attention. Sixty percent of the tax relief provided in this measure has nothing to do with the marriage penalty at all.

Moreover, under the bill that is offered by the majority, we have individuals who will be affected. Some 5 million additional taxpayers will be caught up under what is referred to as an alternative minimum tax. The Republican proposal does not reduce the tax rolls of the AMT, or the alternative minimum tax; it greatly expands it. That is why I have called this proposal something that masquerades as marriage penalty relief because it is much more than that and, at the same time, much less.

The proposal the majority has advanced in terms of its ostensible claim of providing a marriage penalty relief is, at best, a half trillion dollars.

Earlier in my comments, I praised the ranking member of the Finance Committee, the able Senator from New York. His approach, it strikes me, does what we are trying to accomplish: It eliminates the marriage penalty, but it does so in a very targeted and specific way, and that ought to be the guiding principle. If we are serious about eliminating the marriage penalty and providing relief for those taxpayers, 25 million in America, that ought to be the focus. It is simple and is more targeted.

The reconciliation bill before us relies on a complex scheme of bracketed extensions, deduction increases, and allowance of personal preference.

One would have to have a Ph.D. from MIT to figure how the calculations are made. I thought, in the waning days of the 106th Congress, if there was one thing on which we could agree—both those on the other side of the aisle and those on our side of the aisle; those who find themselves to the right of center, to the left of center, and the moderates—we ought not to do anything to make the Tax Code more complicated.

Each summer, as I know a number of my colleagues do, I spend the entire recess doing townhall meetings across my State. Not surprisingly, there are different views as to what we ought to be doing. But no one has argued: You know, what you need to do, Senator, is, return to Washington and try to make this Tax Code more complicated.

May I say that the proposal advanced by the majority will add dozens—maybe hundreds—of new pages of regulations. By contrast, the Democratic alternative provides simplicity.

Taxpayers would be allowed a choice, not a difficult concept for us in America: If you benefit under the Tax Code, as a married person, by filing as a single person, that is your option, and you can do so—no ifs, ands, or buts. And conversely, if you benefit as a married person by filing a joint return, that is your choice as well. It is that simple. Whatever fits your individual need. It is tailored, it is specific, and it is simple.

That is what we are talking about. And I believe that is what we should be all about. Moreover, it is far less expensive than the proposal offered by the Republican majority—much less expensive.

It leaves monies to deal with the priorities I have outlined that I think most Americans support: Providing extended solvency to Social Security and Medicare and a prescription drug benefit, and, yes, to pay down that enormous national debt that exploded during the 1980s and early 1990s.

Moreover, the proposal that we advance, the one that Senator MOYNIHAN has so ably crafted, completely wipes out the marriage penalty—completely wipes it out—without irresponsibly awarding cash bonuses to those who already receive a break under the Tax Code.

While the majority's proposal only addresses a grand total of three marriage penalties in the entire Tax Code, the proposal that we offer would address every single one of the 65 marriage penalties in the Tax Code. It is understandable, it is simple, it is targeted, and it is comprehensive. It does the job.

I will illustrate this point of simplicity with an example, if I may.

I have asserted that under the plan the majority has advocated, it does not wipe out the marriage penalty relief for many. This chart I have here shows an example. Under this example, a married couple—wife and husband—each earn $35,000 a year. Their joint return reflects $70,000 in joint income.

As individuals, they would pay a tax of $8,407. But if they were filing a joint return, they would pay $9,532. Under the current law, they must file jointly. That is the marriage penalty. That is what we are talking about, probably not a situation that is too dissimilar for thousands of married couples—perhaps hundred of thousands. By virtue of being married, they pay $1,125 more than two single individuals with the identical incomes—the woman earning $35,000, the man earning $35,000, who are able to file individually as opposed to a joint return.

Under the bill before us, only $443 of relief is provided. That is only 39 percent of the penalty. So to those couples who are in the situation of being led to believe that if the bill that has been advocated by the majority is passed, they are going to get relief, they are going to be very disappointed because they are not getting all the relief; they are only getting 39 percent.

Under the Democratic plan, crafted by the distinguished Senator from New

York, Mr. MOYNIHAN, 100-percent relief is achieved, the full $1,125. And how is that done? Not through a convoluted approach of either compressing or enlarging the brackets, or adjusting the deductions, or from some other kind of incantation in the Tax Code, with which we are all so familiar making our Tax Code such a complicated burden for the average citizen to fill out. By the simple provision—one line in the Tax Code—it is your choice. You may file individually or you may file a joint return.

Obviously, this couple would choose to file individually and in so doing would reduce their tax liability by $1,125. That is real relief. That is targeted relief. That is what our proposal is all about. It is easy to understand. It provides the virtue of simplicity. It does the job, and it is targeted.

I am going to conclude because I know the distinguished Presiding Officer has other matters to attend, and this Senator does as well.

I am hopeful that we can extricate ourselves from this abyss into which we are about to fall. Most of us in the Chamber agree that the marriage penalty is fundamentally wrong. We can solve it with a bipartisan approach, less expensively, simply, and completely by adopting this choice. I certainly hope that we do so.

I pledge to my colleagues on the other side of the aisle, I look forward to working with them and hope that we can accomplish it. The course of action that we are pursuing is a collision course. The wheels are going to come off this train. This proposal will not become law, nor should it, because it does not provide complete relief from the marriage penalty, but it does provide extraordinary tax relief to those who are unaffected in any way by it, for those who already receive a bonus. That is not the kind of targeted tax relief we ought to be providing.

Mr. President, I think from a parliamentary point of view, all I need to do is yield the floor, and under the previous unanimous consent agreement, we are in adjournment; am I correct?

The PRESIDING OFFICER. The Senator from Nevada is correct.

Mr. BRYAN. I notice the enthusiastic response by the distinguished Presiding Officer.

Mr. President, you will be pleased to hear, and our colleagues who are listening will be pleased to hear, I yield the floor.

ADJOURNMENT UNTIL MONDAY, JULY 17, 2000

The PRESIDING OFFICER. Under the previous order, the Senate stands in adjournment until Monday, July 17, 2000, at 12 noon.

Thereupon, the Senate, at 4:19 p.m., adjourned until Monday, July 17, 2000, at 12 noon.