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PROCEEDINGS AND DEBATES OF THE 106th CONGRESS, SECOND SESSION

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PROCEEDINGS OF THE HOUSE OF REPRESENTATIVES AFTER SINE DIE ADJOURNMENT OF THE 106TH CONGRESS 2D SESSION

APPOINTMENT BY THE SENATE PRIOR TO SINE DIE ADJOURNMENT

Pursuant to Public Law 106–291, the Chair, on behalf of the President pro tempore, announced the appointment of the following individuals to the Advisory Committee on Forest Counties Payments:

Tim Creal, of South Dakota.

Doug Robertson, of Oregon.

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COMMUNICATION FROM THE CLERK OF THE HOUSE AFTER SINE DIE ADJOURNMENT

U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, December 19, 2000.

Hon. J. DENNIS HASTERT,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted to clause 2(h) of rule II of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on December 18, 2000 at 11:11 a.m.

That the Senate agreed to House amendment S. 1761.

That the Senate agreed to House amendment S. 2749.

That the Senate agreed to House amendment S. 2924.

That the Senate passed without amendment H.R. 207.

That the Senate passed without amendment H.R. 2816.

That the Senate passed without amendment H.R. 3594.

That the Senate passed without amendment H.R. 3756.

That the Senate passed without amendment H.R. 4656.

That the Senate passed without amendment H.R. 4907.

That the Senate passed without amendment H. Con. Res. 271.

With best wishes, I am

Sincerely,

JEFF TRANDAHL,
Clerk of the House.

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ENROLLED BILLS SIGNED AFTER SINE DIE ADJOURNMENT

Mr. THOMAS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 207. An act to amend title 5, United States Code, to make permanent the authority under which comparability allowances may be paid to Government physicians, and to provide that such allowances be treated as part of basic pay for retirement purposes.

H.R. 1795. An act to amend the Public Health Service Act to establish the National Institute of Biomedical Imaging and Bioengineering.

H.R. 2570. An act to require the Secretary of the Interior to undertake a study regarding methods to commemorate the national significance of the United States roadways that comprise the Lincoln Highway, and for other purposes.

H.R. 2816. An act to establish a grant program to assist State and local law enforcement in deterring, investigating, and prosecuting computer crimes.

H.R. 3594. An act to repeal the modification of the installment method.

H.R. 3756. An act to establish a standard time zone for Guam and the Commonwealth of the Northern Mariana Islands, and for other purposes.

H.R. 4020. An act to authorize the addition of land to Sequoia National Park, and for other purposes.

H.R. 4656. An act to authorize the Forest Service to convey certain lands in the Lake Tahoe Basin to the Washoe County School District for use as an elementary school site.

H.R. 4907. An act to establish the Jamestown 400th Commemoration Commission, and for other purposes.

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SENATE ENROLLED BILLS SIGNED AFTER SINE DIE ADJOURNMENT

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1761. An act to direct the Secretary of the Interior, through the Bureau of Reclamation, to conserve and enhance the water supplies of the Lower Rio Grande Valley.

S. 2749. An act to establish the California Trail Interpretive Center in Elko, Nevada, to facilitate the interpretation of the history of development and use of trails in the settling of the western portion of the United States, and for other purposes.

S. 2924. An act to strengthen the enforcement of Federal statutes relating to false identification, and for other purposes.

S. 2943. An act to authorize additional assistance for international malaria control, and for other purposes.

S. 3181. An act to establish the White House Commission on the National Moment of Remembrance, and for other purposes.

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REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Printed on recycled paper.

[Omitted from the Record of December 15, 2000]

Mr. BLILEY: Committee on Commerce. H.R. 2441. A bill to amend the Securities Exchange Act of 1934 to reduce fees on securities transactions; with an amendment (Rept. 106–1034). Referred to the Committee of the Whole House on the State of the Union.

[The following action occurred on December 21, 2000]

Mr. ARCHER: Committee on Ways and Means. Report on the Legislative and Oversight Activities of the Committee on Ways and Means during the 106th Congress (Rept. 106–1036). Referred to the Committee of the Whole House on the State of the Union.

[The following action occurred on December 28, 2000]

Mr. BURTON: Committee on Government Reform. The Tragedy at Waco: New Evidence Examined (Rept. 106–1037). Referred to the Committee of the Whole House on the State of the Union.

[Filed on January 2, 2001]

Mr. SHUSTER: Committee on Transportation and Infrastructure. Summary of Legislative and Oversight Activities of the Committee on Transportation and Infrastructure for the 106th Congress (Rept. 106–1038). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Florida: Committee on Appropriations. Report on Activities of the Committee on Appropriations, 106th Congress (Rept. 106–1039). Referred to the Committee of the Whole House on the State of the Union.

Mr. GOODLING: Committee on Education and the Workforce. Report on Activities of the Committee on Education and the Workforce, 106th Congress (Rept. 106–1040). Referred to the Committee of the Whole House on the State of the Union.

Mr. STUMP: Committee on Veterans' Affairs. Activities Report of the Committee on Veterans' Affairs, 106th Congress (Rept. 106–1041). Referred to the Committee of the Whole House on the State of the Union.

Mr. COMBEST: Committee on Agriculture. Report on the Activities of the Committee on Agriculture during the 106th Congress (Rept. 106–1042). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Armed Services. Report of the Activities of the Committee on Armed Services for the 106th Congress (Rept. 106–1043). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Texas: Committee on Standards of Official Conduct. Report on the Activities of the Committee on Standards of Official Conduct, One Hundred Sixth Congress (Rept. 106–1044). Referred to the Committee of the Whole House on the State of the Union.

Mr. LEACH: Committee on Banking and Financial Services. Report on the Summary of Activities of the Committee on Banking and Financial Services, 106th Congress (Rept. 106–1045). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. Report on Legislative and Oversight Activities of the Committee on Resources, 106th Congress (Rept. 106–1046). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLILEY: Committee on Commerce. Report on the Activity of the Committee on Commerce for the One Hundred Sixth Congress (Rept. 106–1047). Referred to the Committee of the Whole House on the State of the Union.

Mr. HYDE: Committee on the Judiciary. Report on Activities of the Committee on the Judiciary During the 106th Congress (Rept. 106–1048). Referred to the Committee of the Whole House on the State of the Union.

Mr. GILMAN: Committee on International Relations. Legislative Review Activities of the Committee on International Relations During the 106th Congress (Rept. 106–1049). Referred to the Committee of the Whole House on the State of the Union.

DISCHARGE OF COMMITTEE

[Omitted from the Record of December 15, 2000]

Pursuant to clause 5 of rule X the Committee on Commerce discharged. H.R. 4737 referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

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REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

[Omitted from the Record of December 15, 2000]

Mr. SPENCE: Committee on Armed Services. H.R. 4737. A bill to require an inventory of documents and devices containing Restricted Data at the national security laboratories of the Department of Energy, to improve security procedures for access to the vaults containing Restricted Data at those laboratories, and for other purposes, with an amendment; referred to the Committee on Commerce for a period ending not later than December 15, 2000, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(f), rule X (Rept. 106–1035, Pt. 1).

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PROCEEDINGS AND DEBATES OF THE 106th CONGRESS, SECOND SESSION

Vol. 146 WASHINGTON, TUESDAY, JANUARY 2, 2001 No. 156

Senate

(Legislative day of Friday, September 22, 2000)

ACCOMPLISHMENTS OF THE COMMITTEE ON VETERANS' AFFAIRS

• Mr. SPECTER. Mr. President, I have sought recognition today to summarize for my colleagues, and for the public, the activities and accomplishments of the Committee on Veterans' Affairs during the 106th Congress. I am pleased to report, as chairman of the committee, that this Congress has been one of significant accomplishment.

When this Congress convened, it was determined that three veterans' priorities needed to be met. We had to increase the availability of Department of Veterans Affairs (VA)-provided health care services, particularly long-term care services, to World War II veterans. We had to improve educational assistance benefits—so-called Montgomery GI bill or MGIB benefits—made available by VA to veterans, principally young veterans, newly released from service. And we had to address and rectify vestigial elements of discrimination against women contained in veterans' statutes. With the assistance of the committee's ranking minority member, Senator JOHN D. (''JAY'') ROCKEFELLER IV, and in bipartisan partnership with all of the committee's members, we have achieved all three of these goals—and more.

First, with the enactment of the Veterans Millennium Health Care and Benefits Act of 1999, Public Law 106–117 (Millennium Act), the Congress provided for the first time that the most deserving of veterans—those with severe service-connected disabilities—will be assured of receiving nursing home care should they need it—and so long as they need it. Under the terms of the Millennium Act, any veteran who needs nursing home care to treat a service-connected disability will get it. Similarly, any veteran who is rated as 70 percent disabled or higher by VA due to a service-connected cause will be provided with needed nursing home care—even if the condition which causes the need for such care is not itself service-connected. Further, all veterans who are enrolled for VA care—even those who do not have service-connected disabilities—will, under the terms of the Millennium Act, receive any and all non-institutional alternatives to inpatient long-term care—services such as home health aide services, adult day health care services, and the like—as they might need to forestall the day on which they will have to resort to inpatient long-term care. Finally, the Millennium Act mandates that VA maintain the nursing home capacity that it now has, and that it initiate pilot programs to determine, first, the most cost-effective ways of providing more nursing home care to more veterans and, second, the feasibility of providing to veterans, and their spouses, assisted living services.

With enactment last month of the Veterans Benefits and Health Care Improvement Act of 2000, Public Law 106–419, the other two priorities which had been identified at the outset of the 106th Congress were also met. Under that statute, a veteran who has served a three-year enlistment and who returns to school after service will be eligible to receive as much as $800 per month in assistance payments while he or she is in school. In January 1997, when I assumed the chairmanship of the committee, veteran-students could receive no more than $427 per month in Montgomery GI bill assistance; thus, in four years, assistance to full time veteran students has been increased by 87 percent.

The Veterans Benefits and Health Care Improvement Act also addressed two issues of importance to women veterans: It provided that special compensation benefits—those provided to male veterans when they lose, due to a service-connected cause, a so-called creative organ—will also be afforded to women veterans who sustain the service-connected loss of a breast. And it provided—based on sound scientific evidence—that children with birth defects of women Vietnam veterans will be provided compensation, health care, and job training benefits.

These three measures—addressing the disparate needs of older, younger, and women veterans—are not the only veterans-related legislative accomplishments of the 106th Congress. To the contrary, the list of other legislative achievements is long. In addition to providing the long-term care benefits I have already outlined, the Millennium Act also specifies that VA will itself provide, or reimburse the uninsured costs of, emergency care needed by any veteran enrolled for VA care. It mandates, further, that VA enhance the services it provides to homeless veterans, and to veterans with post-traumatic stress disorders, drug abuse disorders, and injuries from sexual trauma. It provides, in addition, that higher priority access to VA care will be provided to veterans who were wounded in combat and are, as a consequence, recipients of the Purple Heart. And, finally, it authorizes VA to provide enhanced care, as space is available, to active duty service personnel and military retirees (who normally receive care from their respective military services), and reauthorizes the provision of health care evaluations to the spouses and children of Persian Gulf war veterans.

Further in the area of health care benefits, the Millennium Act and the Veterans Benefits and Health Care Improvement Act jointly enhance services provided to veterans by improving VA assistance to State-run veterans' nursing home facilities; by authorizing 13 major hospital construction projects; by improving provisions of law relating to nurse, dentist, and pharmacist pay and the recruitment of

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

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physician assistants, social workers, and medical support staff; by increasing VA incentives to collect reimbursements from non-service-disabled veterans' health insurance carriers—funds that are not remitted to the Treasury but are funneled back into VA hospitals; and by encouraging increased VA and Department of Defense cooperation in the procurement of pharmaceuticals and medical supplies. And last, but surely not least in the area of health care, VA's health care system received the two greatest increases ever in funding for fiscal years 2000 and 2001, increases of $1.7 billion and $1.4 billion respectively. The ranking member and I very much appreciate that the chairman and ranking member of the VA, HUD and Independent Agencies Appropriations Subcommittee, Senators BOND and MIKULSKI, heard our call for such funding increases.

In the area of veterans' readjustment benefits and other non-healthcare-related benefits provided by VA, I have already outlined the significant increases in monthly Montgomery GI bill benefits that have been gained since 1997, and the improvements in women veterans' benefits. Beyond these accomplishments, there is a lengthy and strong record of accomplishment. In addition to increasing veterans' educational assistance allowances, the Veterans Benefits and Health Care Improvement Act also increased education assistance benefits provided to the widows and surviving children of persons who were killed in service or who died after service from service-connected causes. And these survivors' educational assistance benefits were, for the first time, ''indexed'' by the Veterans Benefits and Health Care Improvement Act so that they will keep pace with inflation. The Veterans Benefits and Health Care Improvement Act and the Millennium Act also improved VA educational assistance programs by allowing benefits to be paid to students taking test preparation courses and certification or licensing examinations, and by paying benefits to students during term breaks and, retroactively, to students who are veterans' survivors and who are deemed eligible for such benefits only after their educations have begun. In addition, those statutes also expanded eligibility standards applicable to post-Vietnam era veterans by allowing those who had participated in the less generous Veterans Educational Assistance Program or VEAP program of the late 1970's and early 1980's to convert to Montgomery GI bill eligibility. Finally, the Veterans Benefits and Health Care Improvement Act liberalized MGIB participation rules so that officer candidates and veterans serving second enlistments would not, due to technicalities in the law, be denied Montgomery GI bill eligibility.

Benefits other than educational assistance benefits were also improved by the Veterans Benefits and Health Care Improvement Act, the Millennium Act, and other committee-approved legislation. Compensation benefits provided to radiation-exposed veterans were modified by the addition, under the Millennium Act, of bronchiolo-alveolar cancer to the listing of diseases that are presumed to be service-connected if they are contracted by radiation-exposed veterans. The Veterans Benefits and Health Care Improvement Act specifies that compensation will be provided, for the first time, to reservists who suffer heart attacks or strokes while on active duty and to veterans who are injured while participating in VA-sponsored compensated work therapy programs. In addition, that statute provides for a long-overdue increase in the net worth threshold at which compensation payments are suspended in certain cases involving veterans who are hospitalized on a long term basis, though I hasten to add that a repeal of this limitation—which, under current law, applies to mentally incompetent hospitalized veterans but not to other hospitalized veterans—will remain a top priority of mine. And benefits provided to veterans' widows were improved by liberalizing eligibility for survivors of former prisoners of war and widows who have remarried. In addition, the Veterans Claims Assistance Act of 2000, Public Law 106–475, reinstated and improved court-struck provisions of law requiring that VA assist veterans and other claimants—principally, widows and surviving children—in the preparation of their claims to VA for benefits. And Public Laws 106–118 and 106–413 increased VA compensation, survivors' benefits, and other cash-transfer benefits by 2.4 percent and 3.5 percent, respectively, thereby assuring that VA benefits keep pace with inflation.

In the area of insurance benefits, the Veterans Benefits and Health Care Improvement Act increased the amount of life insurance available to service members from $200,000 to $250,000, and authorized insurance program participation by members of the Reserves. That statute also freezes premiums paid by certain insured veterans who have reached the age of 70. And, in the area of housing benefits, the Veterans Benefits and Health Care Improvement Act improved remodeling grant programs to assist disabled veterans in making their homes accessible, and the Millennium Act extended mortgage loan guarantee benefits to members of the Reserves.

In order to assist veterans in gaining meaningful post-service employment, the Veterans Benefits and Health Care Improvement Act extends eligibility for Federal contractor outreach programs to recently-separated veterans. In addition, the Veterans Entrepreneurship and Small Business Development Act of 1999, Public Law 106–50, provides technical, financial, and procurement assistance to veteran-owned small businesses.

Finally, in the area of memorial affairs, the Millennium Act mandates that VA establish six new national cemeteries in areas which VA had identified as being underserved. In addition, the Millennium Act facilitated last month's dedication of the World War II Memorial on the National Mall by authorizing the American Battle Monuments Commission to borrow funds needed to proceed now while World War II veterans remain alive to see the memorial they earned. Finally, the Veterans Benefits and Health Care Improvement Act extended eligibility for burial, and funeral expense and plot allowances, to certain U.S.-citizen Filipino veterans, improved VA assistance to States in establishing State cemeteries, and extended job-protection benefits to Reserve and Guard members who take leave from their civilian jobs to honor veterans by serving in burial details.

Mr. President, I commend and thank the ranking minority member of the Veterans' Affairs Committee, and all of the committee's members, for their extraordinary diligence and cooperation in assisting me in pressing forward the numerous improvements to veterans programs that I have outlined in this statement. The Veterans' Affairs Committee operates in an unusually bipartisan way—a way that might be a model for constructive activity in the 107th Congress. We will continue to so act, and we anticipate that the 107th Congress will show a record of accomplishment similar to that which characterizes the 106th.●

THE COMMODITY FUTURES MODERNIZATION ACT OF 2000

● Mr. SARBANES. Mr. President, I ask to print in the RECORD a letter from the President's Working Group on Financial Markets strongly supporting the Commodity Futures Modernization Act of 2000.

The act provides certainty for over-the-counter swaps and authorizes a new financial product, the ''security future,'' to be traded under a regulatory scheme that protects investors against fraud, market manipulation and insider trading.

The act contains three principal components. It would provide legal certainty that specified types of swaps which are traded over-the-counter are not regulated as futures. The Report of the President's Working Group on Over-the-Counter Derivatives Markets and the Commodity Exchange Act, issued in November 1999, strongly recommended that Congress enact legislation to provide OTC swaps with legal certainty in order to ''reduce systemic risk in the U.S. financial markets and enhance the competitiveness of the U.S. financial sector.''

In addition the act would authorize trading in futures on single stocks and narrow-based stock indices. These are new investment products which, until now, have been prohibited from trading by the Shad-Johnson Accord, which this act would repeal. By authorizing

securities futures, the act would allow financial markets to increase the number of products they trade and give investors additional investment options. The Securities and Exchange Commission and the Commodity Futures Trading Commission negotiated the proposed regulatory regimen over securities futures, which is designed to protect investors against fraud, insider trading and market manipulation. The regulatory regimen will call for joint regulation by both the SEC and CFTC of these markets and the intermediaries that trade in them. Imposing strong investor protections is absolutely necessary if we are to allow trading in these new investment products.

The act also contains regulatory relief provisions for the futures markets that would codify recent CFTC regulations.

I would like to highlight certain important aspects of titles III and IV of the act.

Title III addresses the SEC's authority over security-based swap agreements. It carefully carves out products traditionally viewed as securities in exclusions from the definition of swap agreements. It is important to note that title III does not eliminate the SEC's existing authority to regulate products that are securities.

Title III applies anti-fraud and anti-manipulation provisions of the Federal securities laws to securities-based swap agreements, including those entered into by banks. Title III amends section 10(b) of the Securities Exchange Act of 1934 and its anti-fraud protections to apply to ''any securities-based swap agreement.'' In extending these protections, the act makes explicit that rules promulgated under section 10(b) to address fraud, manipulation, or insider trading apply to securities-based swap agreements. Thus, current and future anti-fraud rules will apply to swap agreements to the same extent as they do to securities. This will enhance protection for investors and for the financial markets, and will permit the SEC to respond as necessary to developments in these markets.

Title III states that existing judicial precedent relating to various securities statutes and rules is applicable to securities-based swaps to the same extent as it is to securities. Thus, for example, cases interpreting these statutory provisions which establish theories of liability and private rights of actions would apply directly to securities-based swaps.

Title IV, Legal Certainty for Bank Products Act of 2000, clarifies the current law, under which the CFTC does not regulate traditional banking products. Such products include deposit accounts, CDs, banker's acceptances, letters of credit, loans, credit card accounts, and loan participations. When a question arises, title IV provides a mechanism for determining whether a product is an ''identified,'' or traditional, banking product. To qualify as an identified banking product, section 403 requires two conditions to be met: (1) that the product cannot have been either prohibited by the Commodity Exchange Act or regulated by the CFTC on or before December 5, 2000, and (2) that the bank has obtained a certification from its regulator that the bank product was commonly offered by any bank prior to December 5, 2000. The latter test requires that the product was actively bought, sold, purchased, or offered by or to multiple customers and is not just a transaction customized for a single client or handful of clients.

Section 405 excludes a hybrid product from the Commodity Exchange Act if under a ''predominance test'' it is primarily an identified banking product and not a contract, agreement or transaction appropriately regulated by the CFTC. The act dictates how to resolve disputes about the application of this test.

The bill's definition of ''security future'' does not include products excluded under title IV and other sections of the Commodity Exchange Act, e.g., certain swaps, identified banking products, etc. Thus, the new grants of authority of this act to the SEC would not extend to these products. However, these exclusions do not limit the definition of ''security'' or the SEC's jurisdiction under existing statutes. For example, the SEC has, and will continue to have, jurisdiction over all over-the counter options.

The act will have a significant impact on the futures markets as well as on the securities markets and investors. The United States investment markets are the envy of the world. This act is intended to strengthen those markets as it provides legal certainly for over-the-counter swaps, authorizes the trading of futures on single stocks and narrow-based stock indices, and gives regulatory relief for the futures markets.

The letter from the President's Working Group on Financial Markets follows:

DECEMBER 15, 2000.

Hon. PAUL S. SARBANES,
Ranking Member, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR SENATOR SARBANES: The Members of the President's Working Group on Financial Markets strongly support the Commodities Futures Modernization Act. This important legislation will allow the United States to maintain its competitive position in the over-the-counter derivative markets by providing legal certainty and promoting innovation, transparency and efficiency in our financial markets while maintaining appropriate protections for transactions in non-financial commodities and for small investors.

Sincerely,

LAWRENCE H. SUMMERS,
Secretary, Department of the Treasury.
ALAN GREENSPAN,
Chairman, Board of Governors of the Federal Reserve.
ARTHUR LEVITT,
Chairman, Securities and Exchange Commission.
WILLIAM J. RAINER,
Chairman, Commodity Futures Trading Commission.●

HAWAIIAN NATIONAL PARK LANGUAGE CORRECTION ACT OF 2000

On December 15, 2000, the Senate amended and passed S. 939, as follows:

S. 939

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 ''Hawaiian National Park Language Correction Act of 2000''.

TITLE I—CORRECTION IN DESIGNATIONS OF HAWAIIAN NATIONAL PARKS.

SEC. 101. CORRECTIONS IN DESIGNATIONS OF HAWAIIAN NATIONAL PARKS.

(a) HAWAI`I VOLCANOES NATIONAL PARK.—

(1) IN GENERAL.—Public Law 87–278 (75 Stat. 577) is amended by striking ''Hawaii Volcanoes National Park'' each place it appears and inserting ''Hawai`i Volcanoes National Park''.

(2) REFERENCES.—Any reference in any law (other than this Act), regulation, document, record, map, or other paper of the United States to ''Hawaii Volcanoes National Park'' shall be considered a reference to ''Hawai`i Volcanoes National Park''.

(b) HALEAKALA NATIONAL PARK.—

(1) IN GENERAL.—Public Law 86–744 (74 Stat. 881) is amended by striking ''Haleakala National Park'' and inserting ''Haleakala National Park''.

(2) REFERENCES.—Any reference in any law (other than this Act), regulation, document, record, map, or other paper of the United States to ''Haleakala National Park'' shall be considered a reference to ''Haleakala National Park''.

(c) KALOKO-HONOKOHAU.—

(1) IN GENERAL.—Section 505 of the National Parks and Recreation Act of 1978 (16 U.S.C. 396d) is amended—

(A) in the section heading, by striking ''KALOKO-HONOKOHAU'' and inserting ''KALOKO-HONOKOHAU''; and

(B) by striking ''Kaloko-Honokohau'' each place it appears and inserting ''Kaloko-Honokohau''.

(2) REFERENCES.—Any reference in any law (other than this Act), regulation, document, record, map, or other paper of the United States to ''Kaloko-Honokohau National Historical Park'' shall be considered a reference to ''Kaloko-Honokohau National Historical Park''.

(d) PU`UHONUA O HONAUNAU NATIONAL HISTORICAL PARK.—

(1) IN GENERAL.—The Act of July 21, 1955 (chapter 385; 69 Stat. 376), as amended by section 305 of the National Parks and Recreation Act of 1978 (92 Stat. 3477), is amended by striking ''Puuhonua o Honaunau National Historical Park'' each place it appears and inserting ''Pu`uhonua o Honaunau National Historical Park''.

(2) REFERENCES.—Any reference in any law (other than this Act), regulation, document, record, map, or other paper of the United States to ''Puuhonua o Honaunau National Historical Park shall be considered a reference to ''Pu`uhonua o Honaunau National Historical Park''.

(e) PU`UKOHOLA HEIAU NATIONAL HISTORIC SITE.—

(1) IN GENERAL.—Public Law 92–388 (86 Stat. 562) is amended by striking ''Puukohola

Heiau National Historic Site'' each place it appears and inserting ''Pu`ukohola Heiau National Historic Site''.

(2) REFERENCES.—Any reference in any law (other than this Act), regulation, document, record, map, or other paper of the United States to ''Puukohola Heiau National Historic Site'' shall be considered a reference to ''Pu`ukohola Heiau National Historic Site''.

SEC. 102. CONFORMING AMENDMENTS.

(a) Section 401(8) of the National Parks and Recreation Act of 1978 (Public Law 95–625; 92 Stat. 3489) is amended by striking ''Hawaii Volcanoes'' each place it appears and inserting ''Hawai`i Volcanoes''.

(b) The first section of Public Law 94–567 (90 Stat. 2692) is amended in subsection (e) by striking ''Haleakala'' each place it appears and inserting ''Haleakala''.

TITLE II—PEOPLING OF AMERICA THEME STUDY

SEC. 201. SHORT TITLE.

This title may be cited as the ''Peopling of America Theme Study Act''.

SEC. 202. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) an important facet of the history of the United States is the story of how the United States was populated;

(2) the migration, immigration, and settlement of the population of the United States—

(A) is broadly termed the ''peopling of America''; and

(B) is characterized by—

(i) the movement of groups of people across external and internal boundaries of the United States and territories of the United States; and

(ii) the interactions of those groups with each other and with other populations;

(3) each of those groups has made unique, important contributions to American history, culture, art, and life;

(4) the spiritual, intellectual, cultural, political, and economic vitality of the United States is a result of the pluralism and diversity of the American population;

(5) the success of the United States in embracing and accommodating diversity has strengthened the national fabric and unified the United States in its values, institutions, experiences, goals, and accomplishments;

(6)(A) the National Park Service's official thematic framework, revised in 1996, responds to the requirement of section 1209 of the Civil War Sites Study Act of 1990 (16 U.S.C. 1a–5 note; Public Law 101–628), that ''the Secretary shall ensure that the full diversity of American history and prehistory are represented'' in the identification and interpretation of historic properties by the National Park Service; and

(B) the thematic framework recognizes that ''people are the primary agents of change'' and establishes the theme of human population movement and change—or ''peopling places''—as a primary thematic category for interpretation and preservation; and

(7) although there are approximately 70,000 listings on the National Register of Historic Places, sites associated with the exploration and settlement of the United States by a broad range of cultures are not well represented.

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

(1) to foster a much-needed understanding of the diversity and contribution of the breadth of groups who have peopled the United States; and

(2) to strengthen the ability of the National Park Service to include groups and events otherwise not recognized in the peopling of the United States.

SEC. 203. DEFINITIONS.

In this title:

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

(2) THEME STUDY.—The term ''theme study'' means the national historic landmark theme study required under section 204.

(3) PEOPLING OF AMERICA.—The term ''peopling of America'' means the migration to and within, and the settlement of, the United States.

SEC. 204. THEME STUDY.

(a) IN GENERAL.—The Secretary shall prepare and submit to Congress a national historic landmark theme study on the peopling of America.

(b) PURPOSE.—The purpose of the theme study shall be to identify regions, areas, trails, districts, communities, sites, buildings, structures, objects, organizations, societies, and cultures that—

(1) best illustrate and commemorate key events or decisions affecting the peopling of America; and

(2) can provide a basis for the preservation and interpretation of the peopling of America that has shaped the culture and society of the United States.

(c) IDENFIFICATION AND DESIGNATION OF POTENTIAL NEW NATIONAL HISTORIC LANDMARKS.—

(1) IN GENERAL.—The theme study shall identify and recommend for designation new national historic landmarks.

(2) LIST OF APPROPRIATE SITES.—The theme study shall—

(A) include a list in order of importance or merit of the most appropriate sites for national historic landmark designation; and

(B) encourage the nomination of other properties to the National Register of Historic Places.

(3) DESIGNATION.—On the basis of the theme study, the Secretary shall designate new national historic landmarks.

(d) NATIONAL PARK SYSTEM.—

(1) IDENTIFICATION OF SITES WITHIN CURRENT UNITS.—The theme study shall identify appropriate sites within units of the National Park System at which the peopling of America may be interpreted.

(2) IDENTIFICATION OF NEW SITES.—On the basis of the theme study, the Secretary shall recommend to Congress sites for which studies for potential inclusion in the National Park System should be authorized.

(e) CONTINUING AUTHORITY.—After the date of submission to Congress of the theme study, the Secretary shall, on a continuing basis, as appropriate to interpret the peopling of America—

(1) evaluate, identify, and designate new national historic landmarks; and

(2) evaluate, identify, and recommend to Congress sites for which studies for potential inclusion in the National Park System should be authorized.

(f) PUBLIC EDUCATION AND RESEARCH.—

(1) LINKAGES.—

(A) ESTABLISHMENT.—On the basis of the theme study, the Secretary may identify appropriate means for establishing linkages—

(i) between—

(I) regions, areas, trails, districts, communities, sites, buildings, structures, objects, organizations, societies, and cultures identified under subsections (b) and (d); and

(II) groups of people; and

(ii) between—

(I) regions, areas, districts, communities, sites, buildings, structures, objects, organizations, societies, and cultures identified under subsection (b); and

(II) units of the National Park System identified under subsection (d).

(B) PURPOSE.—The purpose of the linkages shall be to maximize opportunities for public education and scholarly research on the peopling of America.

(2) COOPERATIVE ARRANGEMENTS.—On the basis of the theme study, the Secretary shall, subject to the availability of funds, enter into cooperative arrangements with State and local governments, educational institutions, local historical organizations, communities, and other appropriate entities to preserve and interpret key sites in the peopling of America.

(3) EDUCATIONAL INITIATIVES.—

(A) IN GENERAL.—The documentation in the theme study shall be used for broad educational initiatives such as—

(i) popular publications;

(ii) curriculum material such as the Teaching with Historic Places program;

(iii) heritage tourism products such as the National Register of Historic Places Travel Itineraries program; and

(iv) oral history and ethnographic programs.

(B) COOPERATIVE PROGRAMS.—On the basis of the theme study, the Secretary shall implement cooperative programs to encourage the preservation and interpretation of the peopling of America.

SEC. 205. COOPERATIVE AGREEMENTS.

The Secretary may enter into cooperative agreements with educational institutions, professional associations, or other entities knowledgeable about the peopling of America—

(1) to prepare the theme study;

(2) to ensure that the theme study is prepared in accordance with generally accepted scholarly standards; and

(3) to promote cooperative arrangements and programs relating to the peopling of America.

SEC. 206. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this title.

TITLE III—LITTLE SANDY RIVER WATERSHED PROTECTION, OREGON.

SEC. 301. INCLUSION OF ADDITIONAL PORTION OF THE LITTLE SANDY RIVER WATERSHED IN THE BULL RUN WATERSHED MANAGEMENT UNIT, OREGON.

(a) IN GENERAL.—Public Law 95–200 (16 U.S.C. 482b note) is amended by striking section 1 and inserting the following:

''SECTION 1. ESTABLISHMENT OF SPECIAL RESOURCES MANAGEMENT UNIT; DEFINITION OF SECRETARY.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—There is established, subject to valid existing rights, a special resources management unit in the State of Oregon comprising approximately 98,272 acres, as depicted on a map dated May 2000, and entitled 'Bull Run Watershed Management Unit'.

''(2) MAP.—The map described in paragraph (1) shall be on file and available for public inspection in the offices of the Regional Forester-Pacific Northwest Region, Forest Service, Department of Agriculture, and in the offices of the State Director, Bureau of Land Management, Department of the Interior.

''(3) BOUNDARY ADJUSTMENTS.—Minor adjustments in the boundaries of the unit may be made from time to time by the Secretary after consultation with the city and appropriate public notice and hearings.

''(b) DEFINITION OF SECRETARY.—In this Act, the term 'Secretary' means—

''(1) with respect to land administered by the Secretary of Agriculture, the Secretary of Agriculture; and

''(2) with respect to land administered by the Secretary of the Interior, the Secretary of the Interior.''.

(b) CONFORMING AND TECHNICAL AMENDMENTS.—

(1) SECRETARY.—Public Law 95–200 (16 U.S.C. 482b note) is amended by striking

''Secretary of Agriculture'' each place it appears (except subsection (b) of section 1, as added by subsection (a), and except in the amendments made by paragraph (2)) and inserting ''Secretary''.

(2) APPLICABLE LAW.—

(A) IN GENERAL.—Section 2(a) of Public Law 95–200 (16 U.S.C. 482b note) is amended by striking ''applicable to National Forest System lands'' and inserting ''applicable to National Forest System land (in the case of land administered by the Secretary of Agriculture) or applicable to land under the administrative jurisdiction of the Bureau of Land Management (in the case of land administered by the Secretary of the Interior)''.

(B) MANAGEMENT PLANS.—The first sentence of section 2(c) of Public Law 95–200 (16 U.S.C. 482b note) is amended—

(i) by striking ''subsection (a) and (b)'' and inserting ''subsections (a) and (b)''; and

(ii) by striking '', through the maintenance'' and inserting ''(in the case of land administered by the Secretary of Agriculture) or section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712) (in the case of land administered by the Secretary of the Interior), through the maintenance''.

SEC. 302. MANAGEMENT.

(a) TIMBER HARVESTING RESTRICTIONS.—Section 2(b) of Public Law 95–200 (16 U.S.C. 482b note) is amended by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall prohibit the cutting of trees on Federal land in the entire unit, as designated in section 1 and depicted on the map referred to in that section.''.

(b) REPEAL OF MANAGEMENT EXCEPTION.—The Oregon Resource Conservation Act of 1996 (division B of Public Law 104–208) is amended by striking section 606 (110 Stat. 3009–543).

(c) REPEAL OF DUPLICATIVE ENACTMENT.—Section 1026 of division I of the Omnibus Parks and Public Lands Management Act of 1996 (Public Law 104–333; 110 Stat. 4228) and the amendments made by that section are repealed.

(d) WATER RIGHTS.—Nothing in this section strengthens, diminishes, or has any other effect on water rights held by any person or entity.

SEC. 303. LAND RECLASSIFICATION.

(a) Within 6 months of the date of enactment of this title, the Secretaries of Agriculture and Interior shall identify any Oregon and California Railroad lands (O&C lands) subject to the distribution provision of the Act of August 28, 1937 (chapter 876, title II, 50 Stat. 875; 43 U.S.C. 1181f) within the boundary of the special resources management area described in section 301 of this title.

(b) Within 18 months of the date of enactment of this title, the Secretary of the Interior shall identify public domain lands within the Medford, Roseburg, Eugene, Salem and Coos Bay Districts and the Klamath Resource Area of the Lakeview District of the Bureau of Land Management approximately equal in size and condition as those lands identified in subsection (a) but not subject to the Act of August 28, 1937 (chapter 876, title II, 50 Stat. 875; 43 U.S.C. 1181a–f). For purposes of this subsection, ''public domain lands'' shall have the meaning given the term ''public lands'' in section 103 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702), but excluding therefrom any lands managed pursuant to the Act of August 28, 1937 (chapter 876, title II, 50 Stat. 875; 43 U.S.C. 1181a–f).

(c) Within 2 years after the date of enactment of this title, the Secretary of the Interior shall submit to Congress and publish in the Federal Register a map or maps identifying those public domain lands pursuant to subsections (a) and (b) of this section. After an opportunity for public comment, the Secretary of the Interior shall complete an administrative land reclassification such that those lands identified pursuant to subsection (a) become public domain lands not subject to the distribution provision of the Act of August 28, 1937 (chapter 876, title II, 50 Stat. 875; 43 U.S.C. 1181f) and those lands identified pursuant to subsection (b) become Oregon and California Railroad lands (O&C lands) subject to the Act of August 28, 1937 (chapter 876, title II, 50 Stat. 875; 43 U.S.C. 1181a–f).

SEC. 304. ENVIRONMENTAL RESTORATION.

In order to further the purposes of this title, there is hereby authorized to be appropriated $10,000,000 under the provisions of section 323 of the FY 1999 Interior Appropriations Act (P.L. 105–277) for Clackamas County, Oregon, for watershed restoration, except timber extraction, that protects or enhances water quality or relates to the recovery of species listed pursuant to the Endangered Species Act (P.L. 93–205) near the Bull Run Management Unit.

EXTENSIONS OF REMARKS

HONORING SHERIFF BOB KIMMERLY

HON. FRED UPTON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, December 15, 2000

Mr. UPTON. Mr. Speaker, it is my distinct pleasure today to recognize my friend, and one of the most dedicated public servants I know—Berrien County Sheriff Robert Kimmerly. With the retirement of Bob Kimmerly, Berrien County and the entire State of Michigan will lose years of valuable service and experience in law enforcement.

As a resident of Berrien County, I have seen the results of Bob's work firsthand. Since being elected Sheriff in 1992, Bob sought to enforce the laws in our area in a firm, fair and impartial way—and I think he's been successful. In addition to working to upgrade the technology and communication between State and local law enforcement agencies, Bob has also worked to facilitate communication between these agencies and the community.

The close and effective working relationship Bob maintained with the community will clearly be remembered as one of the hallmarks of Bob's service. He worked to foster a close working relationship with senior citizens and law enforcement, implemented e-mail communication between Neighborhood Watch Groups, Senior Citizen Centers and law enforcement and partnered with area schools to provide student violence prevention and response programs.

Bob has worked not only for the safety of our communities, but the officers under his charge. During his tenure, he implemented computer aided dispatching, mobile vehicle locators for patrol vehicles, mobile data terminals and squad car video cameras. These advances, however, were implemented with a keen eye toward fiscal responsibility. As Sheriff, Bob worked to firmly enforce the laws while at the same time reducing the cost of inmate incarceration. Bob was also a creative Sheriff. As such, he implemented a ''Work Alternative Program'' which provided Berrien County with over 14,000 hours of community service.

Mr. Speaker, I believe I speak for every citizen in Berrien County when I extend our congratulations and best wishes for a retirement filled with happiness and productivity. I submit my remarks into the CONGRESSIONAL RECORD to ensure that this and future generations of Americans have the opportunity to reflect on and know of the significant contributions Bob Kimmerly has made to Berrien County and the entire State of Michigan.

PERSONAL EXPLANATION

HON. JUANITA MILLENDER-McDONALD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 15, 2000

Ms. MILLENDER-McDONALD. Mr. Speaker, I inadvertently missed the vote on H.R. 4577, the Omnibus Appropriations Bill. Had I been present, I would have voted ''yea'' on H.R. 4577.

HONORING AN OUTSTANDING ELECTION OFFICIAL

HON. ROY BLUNT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, December 15, 2000

Mr. BLUNT. Mr. Speaker, during the last five weeks much of our national attention in the wake of the Presidential Election has been focused on the technology we use to cast our votes. Pundits and politicians have discussed the strengths and weaknesses of paper ballots, voting machines, punch cards, and optically scanned ballots. It's easy in this debate to forget that the real work of elections is not done by technology, but by tens of thousands of local election judges and election officials.

Today I pay tribute to one of those election officials with whom I have had the pleasure of working over the years. I worked with Rosemary Kochner when I was Chief Election Authority of Greene County, Missouri, and later as Secretary of State. I benefited from her advice and example of dedicated service. Rosemary retires next month after 30 years of working for the St. Louis County Board of Election Commissioners. During that period, Rosemary has risen from being an Absentee Ballot Clerk to serving as the Republican Assistant Director of Elections in the largest election jurisdiction in the State of Missouri.

Rosemary is one of a handful of election officials who are selflessly dedicated to doing all they can to ensure that every qualified voter has the opportunity to cast their ballot on election day and to do so in a way that it gets counted. It is her passion and her commitment to that ideal that makes her an inspiration to all around her.

Those of us who know her will tell you that her real love has been working to see that the men and women of the Armed Forces who are registered to vote in St. Louis County are able to participate on Election Day regardless of where they are serving their country.

But Rosemary has excelled in many areas. She is a recognized authority on Missouri Election Law. Rosemary served with distinction on the U.S. Bicentennial Commission. She is the recipient of the ''Federal Voting Assistance Award'' from the Department of Defense. I was pleased when as Secretary of State I was privileged to present her with the ''Rosemary Plitt Award'' from the State of Missouri for outstanding service during the 1988 presidential election.

I know my colleagues from Missouri join me in thanking Rosemary for her years of outstanding service to her community and that her seven daughters and thirteen grandchildren join all of us in wishing her the best as she begins her retirement. I am sure we haven't heard the last from her.

UNIVERSITY OF MASSACHUSETTS BIOLOGIC LABORATORIES

HON. MICHAEL E. CAPUANO

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, December 15, 2000

Mr. CAPUANO. Mr. Speaker, today I speak on behalf of the University of Massachusetts Biologic Laboratory (MBL). For over 100 years, scientists at the Massachusetts Biologic Laboratory have made great contributions toward improving the public health of the citizens of the Commonwealth of Massachusetts and the Nation. MBL has collaborated with the National Institutes of Health, the Center for Disease Control, the Department of Defense, and state public health departments across the country to develop vaccines, plasma products and monoclonal antibodies. MBL has done this in its unique role as the only publicly owned and operated, FDA-licensed biological manufacturing facility in the United States.

MBL's national contributions include the development of products such as the smallpox vaccine, the typhoid vaccine, the tetanus vaccine and a scarlet fever antitoxin. MBL also specializes in the development and manufacture of orphan biologicals—those life saving products that are either in limited use or for special populations.

Under the leadership of Thomas Manning, MBL plans to build a new facility at the Old Boston State Mental Hospital property in Mattaphan. This new facility will enable MBL to maintain FDA compliance, provide space for new product development and improve operation efficiency of the plant.

This facility will continue the tradition of new and great advancements in the biological community as it provides real opportunity to a community in need of redevelopment and new jobs.

I fully support Massachusetts Biologic Laboratory's plans to develop a facility in Mattaphan for its expanded efforts in applied research, development and the production of biological products. The University of Massachusetts Medical School is prepared to make a large financial commitment to this project. With the benefits that MBL's products have brought to our Nation, I believe the Federal Government should also contribute to this effort. I look forward to working with Doctors Donna Ambrosino and Jeanne Leszczynski, and Thomas Manning, to secure Federal funding for MBL in fiscal year 2002.

● This ''bullet'' symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

CONFERENCE REPORT ON H.R. 4577, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2001

HON. JAMES M. TALENT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, December 15, 2000

Mr. TALENT. Mr. Speaker, the following is a summary and explanation to accompany H.R. 5667, the Small Business Reauthorization Act of 2000. It is essentially the same document as that in the Conference Report to accompany H.R. 2614 (Rpt. 106–1004). Unfortunately, H.R. 2614 was never passed by the Senate. However, we were fortunate enough to achieve some compromise and many of the provisions of H.R. 2614 are included with H.R. 4577.

The conferees met to discuss H.R. 2614 which had passed the House, and after Senate amendment, had been returned to the House. The House objected to the Senate amendment and the Senate then requested a conference. The original purpose of H.R. 2614 was solely to make corrections to the Small Business Administration's Certified Development Company loan program. The conferees agreed to include the provisions of several other bills (e.g. H.R. 2615, H.R. 2392, H.R. 3843, H.R. 3845) affecting the Small Business Administration and its programs in order to facilitate the work of both Houses. The provisions of H.R. 5545 are essentially what is included in H.R. 5667 and certain other sections of the American Community Renewal Act provisions also included in this legislation.

The summary of H.R. 5667 follows:

TITLE I—SMALL BUSINESS INNOVATION AND RESEARCH

The Small Business Innovation Research Program Reauthorization Act of 2000 (H.R. 2392) was introduced on June 30, 1999, and referred to the House Committees on Small Business and Science. Both Committees held hearings and the House Committee on Small Business reported H.R. 2392 on September 23, 1999 (H. Rept. 106–329). In the interest of moving the bill to the floor of the House of Representatives promptly, the Committee on Science agreed not to exercise its right to report the legislation, provided that the House Committee on Small Business agreed to add the selected portions of the Science Committee version of the legislation, as Sections 8 through 11 of the House floor text of H.R. 2392. H.R. 2392 passed the House without further amendment on September 27. The Science Committee provisions were explained in floor statements by Congressmen Sensenbrenner, Morella, and Mark Udall.

On March 21, 2000, the Senate Committee marked up H.R. 2392 and on May 10, 2000, reported the bill (S. Rept. 106–289). The Senate Committee struck several of the sections originating from the House Committee on Science and added sections not in the House-passed legislation, including a requirement that Federal agencies with Small Business Innovation Research (SBIR) programs report their methodology for calculating their SBIR budgets to the Small Business Administration (SBA) and a program to assist states in the development of small high-technology businesses. Negotiations then began among the leadership of the Senate and House Committees on Small Businesses and the House Committee on Science (hereinafter referred to as the three committees). The resultant compromise text contains all major House and Senate provisions, some of which have been amended to reflect a compromise position. A section-by-section explanation of the revised text follows. The purposes of this statement, the bill passed by the House of Representatives is referred to as the ''House version'' and the bill reported by the Senate Committee on Small Business is referred to as the ''Senate version.''

Section 101. Short Title; Table of Contents

The compromise text uses the Senate short title: ''Small Business Innovation Research Program Reauthorization Act of 2000.'' The table of contents lists the sections in the compromise text.

Section 102. Findings

The House and Senate versions of the findings are very similar. The compromise text uses the House version of the findings.

Section 103. Extension of the SBIR Program

The House version extends the SBIR program for seven years through September 30, 2007. The Senate version extends the program for ten years through September 30, 2010. The compromise text extends the program for eight years through September 30, 2008.

Section 104. Annual Report

The House version provides for the annual report on the SBIR program prepared by the SBA to be sent to the Committee on Science, as well as to the House and Senate Committees on Small Business that currently receive it. The Senate version did not include this section. The compromise text adopts the House language.

Section 105. Third Phase Assistance

The compromise text of this technical amendment is identical to both the House and Senate versions.

Section 106. Report on Programs for Annual Performance Plan

This section requires each agency that participates in the SBIR program to submit to Congress a performance plan consistent with the Government Performance and Results Act. The House and Senate versions have the same intent. The compromise text uses the House version.

Section 107. Output and Outcome Data

Both the House and Senate versions contain sections enabling the collection and maintenance of information from awardees as is necessary to assess the SBIR program. Both the Senate and House versions require the SBA to maintain a public database at SBA containing information on awardees from all SBIR agencies. The Senate version adds paragraphs to the public database section dealing with database identification of businesses or subsidiaries established for the commercial application of SBIR products or services and the inclusion of information regarding mentors and mentoring networks. The House version further requires the SBA to establish and maintain a government database, which is exempt from the Freedom of Information Act and is to be used solely for program evaluation. Outside individuals must sign a non-disclosure agreement before gaining access to the database. The compromise text contains each of these provisions, with certain modifications and clarifications, which are addressed below.

With respect to the public database, the compromise text makes clear that proprietary information, so identified by a small business concern, will not be included in the public database. With respect to the government database, the compromise text clarifies that the inclusion of information in the government database is not to be considered publication for purposes of patent law. The compromise text further permits the SBA to include in the government database any information received in connection with an SBIR award the SBA Administrator, in conjunction with the SBIR agency program managers, consider to be relevant and appropriate or that the Federal agency considers to be useful to SBIR program evaluation.

With respect to small business reporting for the government database, the compromise text directs that when a small business applies for a second phase award it is required to update information in the government database. If an applicant for a second phase award receives the award, it shall update information in the database concerning the award at the termination of the award period and will be requested to voluntarily update the information annually for an additional period of five years. This reporting procedure is similar to current Department of Defense requirements for the reporting of such information. When sales or additional investment information is related to more than one second phase award is involved, the compromise text permits a small business to apportion the information among the awards in any way it chooses, provided the apportionment is noted on all awards so apportioned.

The three committees understand that receiving complete commercialization data on the SBIR program is difficult, regardless of any reasonable time frame that could be established for the reporting of such data. Commercialization may occur many years following the receipt of a research grant and research from an award, while not directly resulting in a marketplace product, may set the groundwork for additional research that leads to such a product. Nevertheless, the three committees believe that the government database will provide useful information for program evaluation.

Section 108. National Research Council Reports

The House version requires the four largest SBIR program agencies to enter into an agreement with the National Research Council (NRC) to conduct a comprehensive study of how the SBIR program has stimulated technological innovation and used small businesses to meet Federal research and development needs and to make

The compromise text makes several changes to the House text. The compromise text adds the National Science Foundation to the agencies entering the agreement with the NRC and requires the agencies to consult with the SBA in entering such agreement. It also expands the House version, which requires a review of the quality of SBIR research, to require a comparison of the value of projects conducted under SBIR with those funded by other Federal research and development expenditures. The compromise text further broadens the House version's review of the economic rate of return of the SBIR program to require an evaluation of the economic benefits of the SBIR program, including economic rate of return, and a comparison of the economic benefits of the SBIR program with that of other Federal research and development expenditures. The compromise text allows the NRC to choose an appropriate time-frame for such analysis that results in a fair comparison.

The three committees believe that a comprehensive report on the SBIR program and its relation to other Federal research expenditures will be useful in program oversight and will provide Congress with an understanding of the effects of extramural Federal research and development funding provided to large and small businesses and universities. The three committees understand, however, that measuring the direct benefits of the nation's economy from the SBIR program and other Federal research expenditures may be difficult to calculate and may not provide a complete portrayal of the benefits achieved by the SBIR program. Accordingly, the legislation requires the NRC also to review the non-economic benefits of the SBIR program, which may include, among other matters, the increase in scientific knowledge that has resulted from the program. The paragraph in the compromise text calling for recommendations remains the same as the House version, except that the bill now asks the NRC to make recommendations, should there by any.

While the study is to be carried out within National Research Council study guidelines and procedures, the compromise text requires the NRC to take the steps necessary to ensure the individuals from the small business community with expertise in the SBIR program are well-represented in the panel established for performing the study and among the peer reviewers of the study. The NRC is to consult with and consider the views of the SBA's Office of Technology and the SBA's Office of Advocacy and to conduct the study in an open manner that makes sure that the views and experiences of small businesses involved in the program are carefully considered in the design and execution of the study. Extension of the SBIR program for eight years rather than the five being contemplated when the House study provision was initially written has necessitated some adjustments in the study. The report is now required three years rather than four years after the date of enactment of the Act and the NRC is to update the report within six years of enactment. The update is intended to bring current, any information from the study relevant to the reauthorization of the SBIR program. It is not intended to be a second full-fledged study. In addition, semiannual progress reports by NRC to the three committees are required.

Section 109. Federal Agency Expenditures for the SBIR Program

The Senate version requires each Federal agency with an SBIR program to provide the SBA with a report describing its methodology for calculating its extramural budget for purposes of SBIR program set-aside and requires the Administrator of the SBA to include an analysis of the methodology from each agency in its annual report to the Congress. The House version has no similar provision. The compromise text follows the Senate text except that it specifies that each agency, rather than the agency's comptroller, shall submit the agency's report to the Administrator. The three committees intend that each agency's methodology include an itemization of each research program that is excluded from the calculation of its extramural budget for SBIR purposes as well as a brief explanation of why the agency feels each excluded program meets a particular exemption.

Section 110. Policy Directive Modifications

The House version includes policy directive modifications in Section 9 and the requirement of a second phase commercial plan in Section 10. The Senate version include policy directive modifications in Section 6. The Senate version and now the compromise text require the Administrator to make modifications to SBA's policy directives 120 days after the date of enactment rather than the 30 days contained in the House version. The compromise text drops the House policy directive dealing with awards exceeding statutory dollar amounts and time limits because this flexibility is already being provided administratively. Addressed below is a description of the policy directive modifications contained in the compromise text that were not included in both the Senate version and the House version.

Section 10 of the House version requires the SBA to modify its policy directives to require that small businesses provide a commercial plan with each application for a second-phase award. The Senate version does not contain a similar provision. The compromise text requires the SBA to modify its policy directives to require that a small businesses provide a ''succinct commercialization plan for each second phase award moving towards commercialization.'' The three committees acknowledge that commercialization is a current element of the SBIR program. The statutory definition of SBIR, which is not amended by H.R. 2392, includes ''a second phase, to further develop proposals which meet particular program needs, in which awards shall be made based on the scientific and technical merit and feasibility of the proposals, as evidenced by the first phase, considering among other things the proposal's commercial potential...'', and lists evidence of commercial potential as the small business's commercialization record, private sector funding commitments, SBIR Phase III commitments, and the presence of other indicators of the commercial potential. The three committees do not intend that the addition of a commercialization plan either increase or decrease the emphasis an agency places on the commercialization when reviewing second-phase proposals. Rather, the commercialization plan will give SBIR agencies a means of determining the seriousness with which individual applicants approach commercialization.

The commercialization plan, while concise, should show that the business has thought through both the steps it must take to prepare for the fruits of the SBIR award to enter the commercial marketplace or government procurement and the steps to build business expertise as needed during the SBIR second phase time period. The three committees intend that agencies take into consideration the stage of development of the product or process in deciding whether an appropriate commercialization plan has been submitted. In those instances when at the time of the SBIR Phase II proposal, the grantee cannot identify either a product or process with the potential eventually to enter either the commercial or the government marketplace, no commercialization plan is required.

The compromise text also adds new provisions that were not contained in either the Senate version or the House version. Current law (Section 9(j)(3)(C) of the Small Business Act) require that the Administrator put in place procedures to ensure, to the extent practicable, that an agency which intends to pursue research, development or production of a technology developed by a small business concern under an SBIR program enter into follow-on, non-SBIR funding agreements with the small business concern for such research, development, or production.

The three committees are concerned that agencies sometimes provide these follow-on activities to large companies who are in incumbent positions or through contract bundling without written justification or without the statutorily required documentation of the impracticability of using the small business for the work. So that the SBA and the Congress can track the extent of this problem, the compromise text requires agencies to record and report each such occurrence and to describe in writing why it is impractical to provide the research project to the original SBIR company. Additionally, the compromise text directs the SBA to develop policy directives to implement the new subsection (v), Simplified Reporting Requirements. This subsection requires that the directives regarding collection of data be designed to minimize the burden on small businesses; to permit the updating the database by electronic means; and to use standardized procedures for the collection and reporting of data.

Section 103(a)(2) of P.L. 102–564, which reauthorized the SBIR program in 1992, added language to the description of a third phase award which made it clear that the third phase is intended to be a logical conclusion of research projects selected through competitive procedures in phases one and two. The Report to the House Committee on Small Business (H. Rept. 102–554, Pt. I) provide that the purpose of that clarification was to indicate the Committee's intent that an agency which wishes to fund an SBIR project in phase three (with non-SBIR monies) or enter into a follow-on procurement contract with an SBIR company, need not conduct another competition in order to satisfy the Federal Competition in Contracting Act (CICA). Rather, by phase three the project has survived two competitions and thus has already satisfied the requirements of CICA, set forth in section 2302(2)(E) of that Act, as they apply to the SBIR program. As there has been confusion among SBIR agencies regarding the intent of this change, the three committees reemphasize the intent initially set forth in H. Rept. 102–554, Pt. 1, including the clarification that follow-on phase III procurement contracts with an SBIR company may include procurement of products, services, research, or any combination intended for use by the Federal government.

Section 111. Federal and State Technology Partnership Program

This section establishes the FAST program from the Senate version, which is a competitive matching grant program to encourage states to assist in the development of high-technology businesses. The House version does not contain a similar provision. The most significant changes from the Senate version in the compromise text are an extension of the maximum duration of awards from three years to five and the lowering of the matching requirement for funds assisting businesses in low income areas to 50 cents per federal dollar, as advocated by Ranking Member Velazquez of the House Small Business Committee. The compromise text combines the definitions found in the Senate version of this section and the mentoring networks section.

Section 112. Mentoring Networks

The Senate version sets forth criteria for mentoring networks that organizations are encouraged to establish with matching funds from the FAST program and creates a database of small businesses willing to act as mentors. The compromise text, except for relocating the program definitions to Section 111, is the same as the Senate text. The House version did not contain a similar provision.

Section 113. Simplified Reporting Requirements

This section is not in either the House or the Senate versions. It requires the SBA Administrator to work with SBIR program agencies on standardizing SBIR reporting requirements with the ultimate goal of making the SBA's SBIR database more user friendly.

This provision requires the SBA to consider the needs of each agency when establishing and maintaining the database. Additionally, it requires the SBA to take measures to reduce the administrative burden on SBIR program participants whenever possible including, for example, permitting updating by electronic means.

Section 114. Rural Outreach Program Extension

This provision, which was not in either the House or the Senate versions, extends the life and authorization for appropriations for the Rural Outreach Program of the Small Business Administration for four additional years through fiscal year 2005. It is the intent of the three committees that this program be evaluated on the same schedule and in the same manner as the FAST program. Among other things, the evaluation should examine the extent to which the programs complement or duplicate each other. The evaluation should also include recommendations for improvements to the program, if any.

TITLE II—GENERAL BUSINESS LOANS

The purpose of Title II is to amend the general business loan program at the Small Business Administration, commonly known as the 7(a) loan program. Title II of H.R. 2392 contains a variety of technical and substantive changes to improve the program and correct problems brought to the Committee's attention through the oversight process and originally passed by the House as H.R. 2615.

Title II will increase the maximum guarantee amount of a 7(a) loan to $1 million from the current limit of $750,000 in order to keep pace with inflation. The guarantee amount was last increased in 1988. It also institutes a cap prohibiting loans with a gross amount in excess of $2 million.

The bill will also remove a provision which reduced SBA's liability for accrued interest on defaulted loans since the provision's intended savings failed to materialize.

Title II also includes three changes designed to encourage the making of smaller loans. The guarantee rate will be expanded to 85% from loans under $100,000 to loans under $150,000. Likewise, the two percent guarantee fee will now apply to loans up to $150,000, which represents a significant savings for these small borrowers.

Finally, for small loans, Title II of H.R. 2392 includes a provision allowing lenders to retain one quarter of the guarantee fee on loans under $150,000 as an incentive to make these loans.

The last part of Title II modifies an SBA regulatory restriction which prohibit loans for passive investment. Title II will permit the financing of projects where no more than 20% of a business location will be rented out provided the small business borrower in question occupies at least 60% of the business space.

Section 201. Short Title
Section 202. Levels of Participation

Increases the guarantee percentage on loans of $150,000 or less to 85%. The current guarantee level of 80% extends only to loans of $100,000 or less. This guarantee increase is one of the changes proposed to encourage the availability of smaller loans.

Section 203. Loan Amounts

This provision will increase the maximum guarantee amount to $1 million. The maximum gross loan amount will be capped at $2 million. The language would prohibit SBA from placing a guarantee on any loan over $2 million regardless of the guaranteed amount. Consequently, the largest loan available would be a $2 million loan with a 50% guarantee.

The largest loan available at the maximum guarantee of 75% would be $1,333,333. The cap on loans over $2 million will effectively remove a number of large loans that have been made with only a minimal guarantee, loans which use up loan authority at a disproportionate rate. In 1998, roughly thirty loans over $2 million were made.

Section 204. Interest on Defaulted Loans

This will remove the provision that reduced SBA's liability for accrued interest on defaulted loans. This provision was added to the program in 1996 as a method of reducing the subsidy cost of the program. It has come to the Committee's attention that the expected savings have not materialized.

Section 205. Prepayment of Loans

This provision will reduce the incentive for early prepayment of 7(a) loans. It will assess a fee to the borrower for early prepayment of any loan with a term in excess of 15 years. Early prepayment will be defined as any prepayment within the first three years after disbursement. The prepayment fee will be determined by the date of the prepayment—5% in the first year, 3% in the second year, 1% in the third year. The fee will be based on ''excess prepayment'' which is defined as prepayment of more than 25% of the outstanding loan amount. In the event of an excess prepayment the fee would be assessed on the entire outstanding loan amount.

Section 206. Guarantee Fees

This section changes the guarantee fee for loans of $150,000 or less to 2%. Currently, the guarantee fee of 2% is only for loans under $100,000. Loans over $100,000 currently have a guarantee fee of 3%. The section also provides for an incentive for lenders to make smaller loans (under $150,000) by allowing them to retain ¼ of the guarantee fee.

Section 207. Lease Terms

Under existing 7(a) rules, loan proceeds may not be used for investment purposes. This includes purchase or construction of property to be leased to others. Currently, 7(a) loans may be used to construct property which will be used solely by the borrower.

In 1997, Congress modified this rule for the 504 program to allow for projects where a small portion of a property might be rented out permanently, but the borrower's main focus was the construction of a permanent location. This provision would allow the same authority for 7(a) loans. Borrowers would be allowed to lease up to 20% of a property in which they will occupy at least 60% of the business space.

TITLE III—CERTIFIED DEVELOPMENT COMPANIES

The purpose of Title III of H.R. 2392 is to amend the Small Business Investment Act to make changes in the Certified Development Company (CDC) loan program at the Small Business Administration (SBA), commonly known as the 504 loan program. Title III is the substance of H.R. 2614 which passed the House earlier this Congress and contains a variety of technical and substantive changes to improve the program and correct problems brought to the Committee's attention through the oversight process.

Title III will increase the maximum amount of a 504 loan, and its underlying debenture, to $1 million from the current limit of $750,000 in order to keep pace with inflation. The maximum amount for loans with specific public policy purposes (low-income, rural, and minority owned businesses) is increased to $1,300,000. The loan amount was last increased in 1988. Title III will also reauthorize the fees which support the 504 program.

Title III will also add women-owned businesses as a specific public policy goal for the 504 program. Title III will make permanent two pilot programs begun by SBA in 1997 in response to a Congressional mandate. The first pilot program, the Liquidation Pilot Program, enables certain qualified Certified Development Companies to liquidate their own loans rather enduring the usual process of SBA controlled liquidation. The second, the Premier Certified Lenders Program, enables experienced CDCs to use streamlined procedures for loan making and liquidation.

Section 301. Short Title
Section 302. Women-Owned Businesses

Women-owned businesses are added to the list of concerns eligible for the higher debentures available for public policy purposes. Current policy goals include lending to low-income and rural areas, and loans to businesses owned by minorities.

Section 303. Maximum Debenture Size

Maximum loan/debenture size is increased from $750,000 to $1,000,000 for regular debentures. Public policy loan/debentures are increased from $1,000,000 to $1,300,000 for public policy debentures. This increase is commensurate with inflation since the current debenture levels were established.

Section 304. Fees

Currently, the 504 program levies fees on the borrower, CDC, and the participating bank. The bank pays a one-time fee whereas the borrower and CDC pay a percentage of the outstanding balance annually in order to provide operational funding for the 504 program. Currently these fees sunset on October 1, 2000. This legislation would continue the fees through October 1, 2003.

Section 305. Premier Certified Lenders Program

The Premier Certified Lenders Program (PCLP) is granted permanent status. The current demonstration program terminates at the end of FY 2000.

Section 306. Sale of Certain Defaulted Loans

SBA is required to give any certified lender with contingent liability 90 days notice prior to including a defaulted loan in a bulk sale of loans. No loan may be sold without permitting prospective purchasers to examine SBA records on the loan.

Section 307. Loan Liquidation

Section 510 is added to the Small Business Investment Act of 1958 in order to create a program permitting CDCs to handle the liquidation of defaulted loans. This program replaces the pilot program authorized by PL 105–135, the Small Business Reauthorization Act of 1997. A permanent program would permit OMB to score savings achieved by the program when computing the subsidy rate for the 504 program.

In order to participate in the liquidation program, a CDC must have made at least 10 loans per year for the past three years and have at least one employee with 2 years of liquidation experience or be a member of the Accredited Lenders Program with at least one employee with 2 years of liquidation experience. Both groups are required to receive training. PCLP participants and current participants in the pilot program automatically qualify.

CDCs have the authority to litigate as necessary to foreclose and liquidate, but SBA could assume control of the litigation if the outcome might adversely affect SBA's management of the program or if SBA has additional legal remedies not available to the CDC.

All Section 510 participants are required to submit a liquidation plan to SBA for approval, and SBA has 15 days to approve, deny, or express concern with the plan. Further SBA approval of routine liquidation activities is not required.

CDCs are able to purchase indebtedness with SBA approval, and SBA is required to respond to such a request within 15 days.

Likewise, CDCs are required to seek SBA approval of any workout plan, and SBA must respond to that request within 15 days. With SBA approval, a CDC may compromise indebtedness. Such approval must be granted, denied, or explained within 15 days of receipt by SBA.

TITLE IV—SMALL BUSINESS INVESTMENT COMPANIES

The purpose of Title IV is to amend the Small Business Investment Act (the Act) to make changes in the Small Business Investment Company (SBIC) program at the SBA. Title IV contains the language from H.R. 3845 which passed the House earlier this Congress and contains four technical changes to improve the program and correct problems brought to the Committee's attention through the oversight process.

H.R. 3845 modifies the definition of control for SBIC investment in small businesses, eliminating a cumbersome five prong test and setting a clear statutory standard. H.R. 3845 will also modify the definition of long term investment under the Act, changing it from five years to one year, in order to harmonize that definition with accepted business practice and the tax and banking laws. Third, the bill allows the Administration to adjust the subsidy fee for the SBIC program to maintain the subsidy rate of the program at zero. Finally, the bill makes a change to the distribution language in the Act, allowing SBICs more flexibility in making distributions to their investors and will simplify the accounting and tax procedures at SBICs.

Section 401. Short Title

Section 402. Definitions

(a) Small Business Concern.—Inserts the following language in section 103(5)(A)(i) of the Small Business Investment Act—''regardless of the allocation of control during the investment period under any investment agreement between the business concern and the entity making the investment''. This phrase clarifies that a venture capital investment agreement from an SBIC may cause a change in control of a small business, but that such a change will not affect the eligibility of the small business concern. The Committee does not intend that SBICs become holding companies hence the language references the period of the investment agreement. Further, the Committee retains the authority for SBA examinations to inquire into ''illegal control'' by SBICs, though the committee expects such control to be that exercised outside an investment agreement.

(b) Long term.—Inserts the following paragraph in section 103 of the Small Business Investment Act,

''(17) the term long term, when used in connection with equity capital or loan funds invested in any small business concern or smaller enterprise, means any period of time not less than 1 year.'' The language changes the definition of a long term investment to harmonize it with the tax and banking laws.

Section 403. Investment in SBICs

This provision allows federal savings associations to invest in SBICs.

Section 404. Subsidy Fees

This provision amends sections 303(b) and 303(b)(2) of the Small Business Investment Act to allow the Administration to adjust the fee assessed on debentures and participating securities up to a maximum of one percent. The fee will be adjusted to keep the subsidy cost of the programs at zero or as close as possible to zero.

Section 405. Distributions

This section amends section 303(g)(8) of the Small Business Investment Act in order to allow SBICs to make distributions at any time during a calendar quarter based on the maximum estimated tax liability.

Section 406. Conforming Amendment

TITLE V—REAUTHORIZATION OF SMALL BUSINESS PROGRAMS

The purpose of Title V is to reauthorize the programs and operations of the SBA. Title V contains the language from H.R. 3843 which contained the authorization levels for SBA for fiscal year 2001, 2002, and 2003. It contains no technical or substantive changes to any of the programs. The SBA provides a variety of services for small business—financial assistance, technical assistance, and disaster assistance.

Financial Assistance

The SBA provides approximately $11 billion in financing to small business annually. This financing is made available through a variety of programs.

SBA's largest financial program is the Section 7(a) general business loan program. The 7(a) program offers loans to small businesses through local lending institutions. These loans are provided with an SBA guarantee of up to 80 percent and are limited to a maximum of $750,000. The 7(a) program has a subsidy rate of 1.16% for fiscal year 2000 and an appropriation of $107 million, permitting $9.8 billion in lending.

The Section 504 loan program provides construction, renovation and capital investment financing to small businesses through CDCs. These CDCs are SBA licensed, local business development organizations which provide loans of up to $750,000 for small businesses, in cooperation with local banks. CDCs provide 40% of the financing package, while the bank provides 50%, and the small business provides a 10% down payment. CDC funding is obtained through issuance of an SBA guaranteed debenture. The 504 program currently operates at no cost to the taxpayer but does require authorization.

The microloan program provides small loans of up to $25,000 to borrowers in low-income areas. In fiscal year 1999 the program provided $29 million in loans. In addition, the program has a technical assistance aspect that provides managerial and business expertise to microloan borrowers. Microloans are made by intermediary organizations that specialize in local business development. The program has a subsidy rate of 8.54%.

The Small Business Investment Company (SBIC) program provides over $1.5 billion in long term and venture capital financing for small businesses annually. SBICs are venture capital firms that leverage private investment dollars with SBA guaranteed debentures or participating securities. The SBIC debenture program currently operates at a zero subsidy rate and requires no taxpayer subsidy. The participating securities program has a 1.8% subsidy rate.

Technical Assistance

The SBA provides technical and managerial assistance to small businesses through four primary programs—Small Business Development Centers (SBDCs), the Service Corps of Retired Executives (SCORE), the 7(j) technical assistance program, and the Women's Business Center program.

SBDCs are located primarily at colleges and universities and provide assistance through 51 center sites and approximately 970 satellite offices. Through a formula of matching grants and donations SBDCs offer small businesses guidance on marketing, financing, start-up, and other areas. The program currently receives $84 million in appropriations.

SCORE provides small business assistance on-site through the volunteer efforts of its members. SCORE volunteers are retired business men and women who offer their expertise to small businesses. SCORE volunteers are reimbursed for their travel expenses and SCORE receives funding as well for a website and offices in Washington, DC.

The 7(j) program provides financing for technical assistance to the minority contracting community primarily through courses and direct assistance from management consultants. In addition, the program provides assistance for participants to attend business administration classes offered through several colleges and universities.

The Women's Business Center program provides five year grants matched by nonfederal funds to private sector organizations to establish business training centers for women. Depending on the needs of the community, centers teach women the principles of finance, management and marketing as well as specialized topics such government contracting or starting home-based businesses. There are currently 81 centers in 47 states in rural, urban and suburban locations.

Disaster Assistance

The Small Business Administration also provides disaster loan assistance to homeowners and small businesses nationwide. This program is a key component of the overall Federal recovery effort for communities struck by natural disasters. This assistance is authorized by section 7(b) of the Small Business Act which provides authority for reduced interest rate loans. Currently the interest rates fluctuate according to the statutory formula—a lower rate, not to exceed four percent is offered to applicants with no credit available elsewhere, while a rate of a maximum of eight percent is available for other borrowers.

Section 501. Short Title

Section 502. Reauthorization of Small Business Programs

This section provides the authorized appropriation levels for the following programs: Section 7(a) general business loans, Section 504 Certified Development Company loans, direct microloans, guaranteed microloans, microloan technical assistance, Defense Transition (DELTA) loans, Small Business Investment Company debentures, Small Business Investment Company participating securities, Surety Bonds guarantees, SCORE, disaster loans, and salaries and expenses.

The following are the authorizations levels for the financial programs:

[In millions of dollars]

	2001	2002	2003
7(a)	14,500	15,000	16,000
504	4,000	4,500	5,000
Microloan	60	80	100
Microloan TA	45	60	70
Microloan gty.	50	50	50
SBIC debentures	1,500	2,500	3,000
SBIC part. Securities	2,500	3,500	4,000
Surety bonds	4,000	5,000	6,000

This Title also authorizes the Service Corps of Retired Executives (SCORE). SCORE will be authorized at 5, 6, and 7 million dollars for fiscal years 2001, 2002, and 2003, respectively.

Title V also contains provisions authorizing funding for salaries and expenses at the Small Business Administration. These authorizations are established as ''such sums as may be necessary''.

Section 503. Additional Reauthorizations

This section reauthorizes five programs:

(a) SBDC funding—Increases the authorization from $95,000,000 to $125,000,000.

(b) Drug Free Workplace—Extends authorization through fiscal year 2003 at $5,000,000 per year.

(c) HUBZones—Authorizes appropriations of $10,000,000 per year through fiscal year 2003.

(d) National Women's Business Council—Increases authorizations to $1,000,000 per year and extends authorization through fiscal year 2003.

(e) Very Small Business Concerns—Extends authorization through September 30, 2003.

(f) SDB Certification—Extends authorization through September 30, 2003.

TITLE VI—HUBZONE PROGRAM

The HUBZone program aims to direct portions of Federal contracting dollars into areas of the country that in the past have been out of the economic mainstream. HUBZone areas, which include qualified census tracts, poor rural counties, and Indian reservations, often are relatively out-of-the-way places that the stream of commerce passes by, and thus tend to be in low or moderate income areas. These areas can also include certain rural communities and tend, generally, to be low-traffic areas that do not have a reliable customer base to support business development. As a result, business has been reluctant to

The HUBZone Act seeks to overcome this problem by making it possible for the Federal government to become a customer for small businesses that locate in HUBZones. While a small business works to establish its regular customer base, a Federal contract can help it stabilize its revenues and remain profitable. This gives small business a chance to get a foothold and provides jobs to these areas. New business and new jobs mean new life and hope for these communities.

Since the HUBZone Act was adopted in the Small Business Reauthorization Act of 1997, the Small Business Administration has been implementing the program. On March 22, 1999, SBA began accepting applications from interested firms. Experience to date has revealed several difficulties with implementation, which the Senate Committee has sought to rectify in this legislation. The House receded to provisions put forth by the Senate to rectify problems in the HUBZone program.

Subtitle A—HUBZones in Native America Act

Sections 601–04 attempt to resolve problems associated with the operation of HUBZones in regions subject to control of Native Americans and Alaska Native corporations.

One such problem was an unintended consequence of wording in the 1997 legislation that inadvertently excluded Indian Tribal enterprises and Alaska Native corporations from participation. The definition of ''HUBZone small business concern'' specified that eligible small businesses must be 100% owned and controlled by U.S. citizens. This provision sought to insure that HUBZone benefits, financed by the American taxpayer, should be available only for U.S. beneficiaries.

However, since citizens are ''born or naturalized'' under the Fourteenth Amendment, ownership by citizens implies ownership by individual flesh-and-blood human beings. Corporate owners and Tribal government owners are not ''born or naturalized'' in the usual meanings of those terms. Thus, the Small Business Administration found that it had no authority to certify small businesses owned wholly or partly by Alaska Native Corporations and Tribal governments.

Since Native American communities were always intended to benefit from HUBZone opportunities, the Committee has included language to make such firms eligible. On many reservations, particularly the isolated ones, the only investment resources available are the Tribal governments. Excluding those governments from investing in their own reservations means, in practical terms, excluding those reservations from the HUBZone program entirely. Similarly, Alaska Native Corporations have corporate resources that are necessary to make real investments in rural Alaska and to provide jobs to Alaska Natives who currently have no hope of getting them.

The Senate Committee was guided by three broad principles in crafting this legislation. First, no firm should be made eligible solely by virtue of who it is. For example, Alaska Native Corporations will not be eligible solely because they are Alaska Native Corporations. Instead, Alaska Native Corporations and Indian Tribal enterprises should be eligible only if they agree to advance the goals of the HUBZone program—job creation and economic development in the areas that need it most.

Second, the Senate Committee sought to make the HUBZone program conform to existing Native American policy. The Committee is aware of controversy over whether to change Alaska Native policy so that Alaska Natives exercise governmental jurisdiction over their lands, just like Tribes in the Lower 48 States do on both their reservations and trust lands. The Alaska Native Claims Settlement Act (ANCSA) of 1971 deliberately refrained from creating Alaska Native jurisdictions in Alaska, and this Committee's legislation is intended to conform to existing practice in ANCSA.

The third principle underlying this bill is that Alaska Natives and Indian Tribes should participate on as even a playing field as possible. Exact equivalence is not possible because the Federal relationship with Alaska Natives differs significantly from the relationship with Indian Tribes, and also because Alaska is a very different State from the Lower 48. However, ANCSA provided that Alaska Natives should be eligible to participate in Federal Indian programs ''on the same basis as other Native Americans.''

Subtitle B—Other HUBZone Provisions

Subtitle B contains several technical changes to clarify interpretive issues concerning the original HUBZone Act, as well as new language to correct an unforeseen situation regarding procurement of commodities. Subtitle B makes a further amendment to the categories of eligible HUBZone firms, to include the HUBZone program as one of the tools Community Development Corporations can use in rebuilding their communities and neighborhoods.

Section 611. Definitions

Subtitle B includes a technical correction to the definition of ''qualified census tract.'' It also makes two major substantive changes to the definition of ''qualified nonmetropolitan county.''

First, the definition is clarified to ensure that nonmetropolitan counties in the HUBZone program are those that were considered to be such as of the time of the last decennial (10 year) census. The HUBZone program relies on census tracts selected in metropolitan areas based on the last census, so that a metropolitan county—in order to have such census tracts—must have been considered metropolitan at that time. A nonmetropolitan county may be eligible as a HUBZone based on income data collected during the census or on unemployment data produced annually by the Bureau of Labor Statistics.

During the ten-year period between each census, some counties become so integrated into the commercial activities of a metropolitan area that they are moved from the nonmetropolitan category to the metropolitan category. Such counties would become ineligible for HUBZone participation. They would not have been metropolitan counties at the time of the last census, so no qualified census tracts would have been selected there. They would also no longer be nonmetropolitan counties, so the income and unemployment tests available to such counties would no longer apply. Thus, counties that change from nonmetropolitan to metropolitan, in the period between each census, would become ineligible until the next census is taken. Subtitle B corrects this problem by freezing, for HUBZone purposes, the categories of metropolitan and nonmetropolitan counties as they stood at the time of the last census.

Section 612. Eligible Contracts

In 1999, the Senate Committee became aware of potential implementation problems in HUBZone procurements of certain commodities, particularly food-aid commodities purchased by the Department of Agriculture (USDA), that could lead to unintended and anti-competitive results. Because bids for commodities generally tend to fall within a narrow range of prices, the 10% price evaluation preference that currently exists could be overwhelmingly decisive. In such purchases, a handful of HUBZone firms could secure significant portions of these markets. This, in turn, could prompt other vendors to abandon these markets, thus reducing USDA's vendor base and reducing competition. These are results that would be contrary to the goals set forth in 2 of the Small Business Act.

To prevent irreparable harm to USDA's vendor base until the matter could be addressed more comprehensively in this legislation, Senator Bond sponsored a proviso in the Fiscal 2000 Agriculture Appropriations Act. As adopted in the conference report, 751 of that Act limited the price evaluation preference to 5% for up to half of the total dollar value of each commodity in a particular tender (solicitation). It also prohibited contract awards to a HUBZone firm that would be of such magnitude as to require the firm to subcontract to purchase the commodity being procured, since such a scenario would imply allow these firms to purchase commodities from subcontractors and in turn sell them to the Government at inflated prices.

Section 612 seeks to address this issue on a more permanent basis. The Senate and House Small Business Committees are aware that USDA relies upon a complex computer program to evaluate commodities bids, and thus Section 612 seeks to set a long-term policy that will not require frequent and expensive changes to this software. Although the legislation reduces the level of HUBZone program incentives that otherwise would be available under the HUBZone Act, Section 612 still seeks to ensure substantial awards to HUBZone concerns, while protecting existing incentives available to other types of small business concerns. The House and Senate Small Business Committees intend that these incentives help commodities procurements contribute their fair share toward achieving the Government-wide goal of 23% of prime contract dollars to small business concerns, but

Section 613. HUBZone Redesignated Areas

The second major change to the definition of ''qualified nonmetropolitan county'' is the addition of a grandfathering clause. Because the Bureau of Labor Statistics (BLS) issues new county-level unemployment data annually, nonmetropolitan counties may shift into and out of eligibility on a yearly basis. The Committee believes that this type of movement is too fluid for a program that should be stable in its first few years. Companies will be confused about the merits of

the program if firms lose and gain eligibility from year to year. A company will not want to invest in such a county only to have it suddenly become ineligible, due to new BLS data, before the company has even had the opportunity to recoup its investment by participating in the HUBZone program.

Section 613 seeks to stabilize this situation by looking at the unemployment picture over a three-year period for nonmetropolitan counties. It also provides that companies in such a county will have a one year period to pursue HUBZone opportunities and wrap up its activities under the program, after such a county becomes ineligible due to new BLS data. A similar one year period is provided for changes that may result due to enactment of this legislation.

Section 614. Community Development

For reasons similar to the problems preventing HUBZone program participation by Indian Tribal enterprises and Alaska Native Corporations, small businesses owned by Community Development Corporations were also inadvertently made ineligible by the original HUBZone Act. The Conference Report has included a provision to correct this problem. As with Tribal enterprises and Alaska Native Corporations, addressed in Subtitle A of this Title, Community Development Corporations are not made automatically eligible. These firms must agree to advance the job-creation goals of the HUBZone program. Specifically, as other businesses must do, these enterprises must maintain their principal office in a HUBZone and employ 35% of their workforce from one or more HUBZones.

Section 615. Reference Corrections

TITLE VII—NATIONAL WOMEN'S BUSINESS COUNCIL REAUTHORIZATION

Title VII reauthorizes the National Women's Business Council for three years, from FY 2001 to 2003, and to increase the annual appropriation from $600,000 to $1 million. The increase in funding will allow the Council to: support new and ongoing research; produce and distribute reports and recommendations prepared by the Council; and create an infrastructure to assist states in developing women's business advisory councils, coordinate summits and establish an interstate communication network.

The increase will also be used to assist Federal agencies meet the procurement goal for women-owned businesses established by Congress in 1994 under section 15(g) of the Small Business Act. By law, Federal agencies must strive to award women-owned small businesses at least 5 percent of the total amount of Federal prime contract dollars. The House and Senate Small Business Committees feel strongly that Federal agencies should meet the five-percent goal, and it supports the Council's plan to expand its efforts to increase the percentage of prime contracts that go to women-owned businesses. Based on current data, women are not receiving awards proportionate to their presence in the economy. For example, women-owned businesses make up 38 percent of all small businesses, yet women-owned businesses received only 2.42 percent of the $189 billion in Federal prime contracts in FY 1999.

According to the National Foundation for Women Business Owners, over the past decade the number of women-owned businesses in this country has grown by 103 percent to an estimated 9.1 million firms. They generate almost $3.6 trillion in sales annually and employ more than 27.5 million workers. With the impact of women-owned businesses on our economy increasing at an unprecedented rate, Congress relies on the Council to serve as its eyes and ears as it anticipates the needs of this burgeoning entrepreneurial sector. Since it was established in 1988, the Council, which is bi-partisan, has provided important unbiased advice and counsel to Congress.

Title VII allows the Council to continue to perform its duties at the level it has done so far, as well as expand its activities to support initiatives that are creating the infrastructure for women's entrepreneurship at the state and local level.

TITLE VIII—MISCELLANEOUS PROVISIONS

Title VIII contains several miscellaneous authorizations and programs.

Section 801. Loan Application Processing

This section requires a study of the time required for SBA to process loan applications.

Section 802. Application of Eligibility Requirements

This section clarifies that women-owned business, socially and economically disadvantaged business, and veteran owned business status is to be determined without regard for the possible application of state community property laws. Certain SBA offices have been denying loan applications based upon the possibility that qualified individuals may divorce resulting in joint ownership of the small business.

Section 803. Subcontracting Preference for Veterans

This clarifies that the language included in subcontracting plans for small business concerns owned and controlled by veterans and used for the purpose of data collection also includes small business concerns owned and controlled by service disabled veterans.

Section 804. Business Development Center Funding

This section reforms the formula for funding Small Business Development Centers.

Section 805. Surety Bonds

Reauthorizes the Surety Bond financing program.

Section 806. Size Standards

Clarifies the treatment of size standards under the North American Industry Classification system established by NAFTA. Also increases agricultural size standards to $750,000 in gross annual receipts.

Section 807. Native Hawaiian Organizations under Section 8(a)

Clarifies the standards for participation of Native Hawaiian Organizations in the 8(a) contracting program.

Section 808. National Veterans Business Development Corporation Correction

Extends and corrects the authorization language for the NVBDC to correct for a missed appropriation cycle.

Section 809. Private Sector Resources for SCORE

Permits the SCORE program to solicit and expends funds donated by private sector organizations.

Section 810. Data Collection

This provision requires the SBA to develop a database of bundled contracts. The Administrator is then required to assess whether contracts whose terms have expired but will be recompeted as part of bundled contracts have achieved the savings or improvements in quality that the procuring agency anticipated when it initially consolidated the contract requirements. This analysis also will be used by the Administrator in determining the number of small businesses that have been displaced as prime contractors as a result of contract bundling. The provision requires the Administrator to report annually to the House and Senate Small Business Committees on the cost savings from contract bundling and the number of small businesses displaced as prime contractors. The Administrator is required to use the definition of bundled contract set forth in section 3(o) of the Small Business Act to build the database and report to Congress.

The annual report of the Administrator of the Small Business Administration must contain data on the number of small businesses displaced as prime contractors, the number of contracts bundled by agencies, the total dollar value of the bundled contracts, the justification for each bundled contract, the total cost savings realized by the bundled contracts, the Small Business Administration's estimates of whether those total cost savings or other benefits will continue to be achieved under bundled contracts, the total dollar value of contracts previously awarded to small business prime contractors, the total dollar value of contracts awarded by the prime to small business subcontractors, the effect of bundling on the ability of small businesses to complete as prime contractors, and the effect on the industry including the reduction in the number of small businesses in the particular industrial classification.

Section 811. Procurement Program for Women-owned Small Business Concerns

Gives Federal agencies the authority to restrict competition for any contract for the procurement of goods or services by the Federal government to small businesses owned and controlled by women who are economically disadvantaged.

HONORING SENATOR SPENCER ABRAHAM

HON. FRED UPTON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, December 15, 2000

Mr. UPTON. Mr. Speaker, today I recognize my good friend from the other body, Senator SPENCER ABRAHAM.

Senator ABRAHAM is a good American and a great Michigander. Over the years, I have gotten to know Senator ABRAHAM well and I can truly say his family has lived the American dream. His maternal grandfather came to America from Lebanon, began a new life in America as a peddler and eventually opened his own grocery store. His paternal grandfather was also a Lebanese immigrant who worked in the West Virginia coal mines before seeking a better life in Michigan as an autoworker and grocery store owner. SPENCE's dad was also an autoworker, and with his wife, owned a small shop in downtown Lansing.

As Michigan's U.S. Senator, SPENCER put the strong values he learned from his family into action. He worked hard and lived his dream. SPENCE was the first member of his family to attend college and went on to earn his law degree. Prior to serving as our Senator, SPENCER served as Michigan's Republican Chairman and in the Reagan Administration.

Since Senator ABRAHAM's election in 1994, I have had the distinct opportunity to work with him on a host of issues of importance both to the people of our state and the nation. And, his record speaks for itself. As a United States

Senator, he has truly been a workhorse—and it's paid off. Senator ABRAHAM is one of the few Members of the Senate that can say 16 bills he wrote have been signed into law.

One of the things I am most proud of is our work this past Congress to protect kids across America from the dangers of ''date rape'' drugs. By working together, we were able to write and pass a bill that outlaws the dangerous substance, GHB, and its close chemical cousins. This legislation was named in memory of Samantha Reid, a southeast Michigan teenager who died in 1999 after drinking from a can of Mountain Dew that was secretly laced with GHB.

I would personally like to thank Senator ABRAHAM for his assistance this past year to secure badly needed funds from Southwest Michigan's farmers whose crops had been devastated by fireblight. By working together we were able to deliver much needed relief to these farmers.

Mr. Speaker, Senator SPENCER ABRAHAM has left a distinct mark on our nation. I submit my remarks into the CONGRESSIONAL RECORD to ensure that future generations have the opportunity to be inspired by the contributions of Senator SPENCER ABRAHAM of Michigan.

TRIBUTE TO THE CITY RESCUE MISSION OF SAGINAW, MICHIGAN

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, December 15, 2000

Mr. BARCIA. Mr. Speaker, I pay tribute to the City Rescue Mission of Saginaw, Michigan. The dedicated support and dependable guidance of this organization has lifted the spirits of many homeless men, women and children for nearly a century.

Since 1905, the City Rescue Mission has stood as a beacon of hope for the homeless and economically disadvantaged throughout Saginaw County. The mission has a proud history of stepping up to the plate to move the less fortunate from dependency to self-sufficiency in a manner that respects individuals by providing them with the resources necessary for them to share in the fortunes of our society and ultimately to contribute back to our community.

The Rescue Mission's light still shines brightly as it continues to develop new and progressive methods to help the less fortunate find paths to success. Recently, the Mission opened the Frank N. Andersen Family Empowerment Center and enhanced its Literacy Education Center with a new computer lab and software programs to tutor users in math, information skills, writing, language arts and reading. As a result, many clients have been able to successfully complete General Education Development certificate requirements as a first step to full and meaningful employment.

Throughout the years, the City Rescue Mission has been blessed by an outpouring of volunteer help and financial assistance from community-minded benefactors who seek to share in caring for the needy and promoting economic and spiritual salvation. Clearly, the Mission is more effective today than at any other time in its long and honorable history.

Mr. Speaker, the City Rescue Mission of Saginaw has transformed for the better the lives of those who cross its threshold and take part in its ministry. It is especially gratifying to have such an organization in Michigan's Fifth Congressional District. It is with great pride that I ask my colleagues to join me in offering a heartfelt thank-you to the Mission for a job well-done and wishing them many years of continued success on behalf of those in need.

TRIBUTE TO MR. ROBERT K. REAVES, OUTSTANDING PUBLIC SERVANT AND CONSERVATION LEADER

HON. JOHN JOSEPH MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, December 15, 2000

Mr. MOAKLEY. Mr. Speaker, I rise today to salute the leadership and outstanding public service of a member of our federal workforce.

After nearly 45 years of service, Robert K. Reaves will retire on January 3, 2001 from the U.S. Department of Agriculture's Natural Resources Conservation Service. In his role in public service, Bob set an example for everyone with a strong commitment to excellence, dedication to integrity, and an enthusiasm for conservation of natural resources.

Mr. Reaves was born and raised in the Washington, DC area and spent time in his youth working on his Uncle's tobacco farm in North Carolina. He attended George Washington University and received a Bachelor of Science in Business Administration.

In February of 1956 he began federal service with United States Geological Survey as a chemical technician in water quality. In May of 1969, Bob joined the United States Department of Agriculture's Research Service, as a program analyst. He served the Department in several capacities related to the budget development.

In 1981, Bob joined the USDA Natural Resources Conservation Service (NRCS). For nearly two decades, Bob provided top-level expertise on conservation issues, including serving as the Budget Officer for NRCS. In 1997–98, Mr. Reaves was a key advisor in the USDA Civil Rights review and helped develop budget initiatives to support Civil Rights initiatives and several other key areas of Department Administration.

In his role with the Natural Resources Conservation Service, Mr. Reaves has demonstrated an exceptional commitment to public awareness of conservation issues, and has served as a source of expertise on national issues for executive branch and legislative branch officials alike. He is also a leading advocate for conservation funding, and has appeared before committees of this Congress on several occasions to support private lands conservation. The individual accomplishments of Mr. Reaves are many, but his years of service are a testament to his dedication, integrity and commitment to his work.

After 45 years of federal service, Bob will have a chance to share the fruits of retirement with his wife, Peggy and pursue hobbies including woodworking, and gardening. Although he will be missed by his colleagues at the Department and many friends here on Capitol Hill, we wish him the very best in his future pursuits. We thank him and salute him for a job well done and wish him well as he embarks upon new frontiers and endeavors that retirement will offer.

PERSONAL EXPLANATION

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 15, 2000

Mr. BALLENGER. Mr. Speaker, I was unavoidably detained and missed rollcall vote 603 (H.R. 4577). Had I been present, I would have voted ''yea.''

CONFERENCE REPORT ON H.R. 4577, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2001

HON. JAMES M. TALENT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, December 15, 2000

Mr. TALENT. Mr. Speaker, I rise to include the following statement in the record to accompany H.R. 5663, the New Markets Venture Capital Program Act of 2000, as enacted by the Conference Report to accompany H.R. 4577. This legislation was originally Title IX of H.R. 5545, as enacted through the conference report accompanying H.R. 2614. Unfortunately, H.R. 2614 did not gain approval in the Senate. However, we were able to save the provisions of H.R. 5545 in H.R. 5663 and H.R. 5667, which were enacted as part of the Conference Report for H.R. 4577, the Consolidated Appropriations Act.

The summary I am inserting is almost identical to the language of the conference report filed with H.R. 5545. The bill language has not changed and neither has the intent of the House and Senate Small Business Committees concerning the New Markets Venture Capital Program Act of 2000. I submit this statement as a Joint Statement of the House Managers in order to provide assistance to the Small Business Administration in implementing this law.

The purpose of H.R. 5663 the ''New Markets Venture Capital Program Act of 2000,'' is to promote economic development, wealth and job opportunities in low income (LI) areas by encouraging venture capital investments and offering technical assistance to small enterprises. The central goal of the legislation is to fulfill the unmet equity investment needs of small enterprises primarily located in LI areas.

The bill creates a developmental venture capital program by amending the Small Business Investment Act to authorize the U.S. Small Business Administration (SBA) to enter into participation agreements with 10 to 20 New Markets Venture Capital (NMVC) companies in a public/private partnership. It further authorizes SBA to guarantee debentures of NMVC companies to enable them to make venture capital investments in smaller enterprises in LI areas. And it authorizes SBA to make grants to NMVC companies, and to other entities, for the purpose of providing technical assistance to smaller enterprises that

are financed, or expected to be financed, by such companies.

The Act will also enhance the ability of existing Small Business Investment Companies (SBICs) to invest in LI areas. It allows them to have access to the leverage capital authorized under the program, without entering into a participation agreement with SBA to act as an NMVC company.

Finally, the Act enhances the ability of existing Specialized Small Business Investment Companies (SSBICs) to invest in LI areas. It allows them to have access to the operational assistance grant funds authorized under the program, also without entering into a participation agreement with SBA to act as an NMVC company.

Despite our unprecedented economic prosperity, there remain places in America that have yet to reap the benefits of this prosperity. Although many Americans enjoy strong income and wage growth, millions in underserved areas still do not have access to jobs or entrepreneurial opportunities.

For example, between 1997 and 1998, the median income for the nation's households rose 3.5 percent in real terms. Yet 12.7 percent of Americans (34.5 million people) still live below the poverty level. These 34.5 million people live in the inner cities and rural areas of America, where jobs are scarce and there is little to attract would-be small business investors.

The overall poverty rate for the U.S. in 1998 was 12.7 percent, but the poverty rate among both African American and Latino populations was 26 percent—double the national average. In rural communities, poverty remains a persistent problem. Job growth is well below the national average, with unemployment hovering at or above 14%. Additionally, the unemployment levels in many urban communities range from 7.5% for African Americans to 6.4% for Hispanics. Both are nearly double the national average.

It is not enough to merely create jobs in these pockets of poverty. Rather, we must create a small business backbone, an economic infrastructure to enable these communities to develop their full potential and participate fully in the economic mainstream.

H.R. 5663 uses SBA resources targeted to corporations and small businesses that want to do business in the untapped markets of our underserved communities. It is a wise investment in the hopes of millions of families who are not sharing in the American Dream.

There is a pressing need for this legislation. There are virtually no institutional sources of equity capital in distressed communities. The national venture capital industry for community development comprises only 25 firms managing approximately $157 million. Only 14 of those are capitalized at $5 million or more—the absolute minimum for economic viability.

H.R. 5663 will tap unrealized resources in our nation, thus benefiting our economy as a whole. It will increase the attractiveness of investment in places with high unemployment and too few businesses. The more the business community

SECTION 1. SHORT TITLE.

SECTION 2. NEW MARKETS VENTURE CAPITAL PROGRAM

This Section amends Title III of the Small Business Investment Act of 1958 by adding new Sections 351 through 368 to establish the ''New Markets Venture Capital Program.''

H.R. 5663 will add the following new sections to the Small Business Investment Act:

Section 351. Definitions

Establishes definitions for developmental venture capital, New Markets Venture Capital Companies, low- or moderate-income geographic area, operational assistance, participation agreement, and Specialized Small Business Investment Companies as used in the legislation.

''Developmental venture capital'' is defined as equity capital invested in small businesses, with a primary objective of fostering economic development in low income geographic areas. For the purposes of this Act, the Committee considers equity capital investments to mean stock of any class in a corporation, stock options, warrants, limited partnership interests, membership interests in a limited liability company, joint venture interests, or subordinated debt with equity features if such debt provides only for interest payments contingent upon earnings. Such investments must not require amortization. They may be guaranteed; but neither the Equity capital investment nor the guarantee may be secured.

A ''New Markets Venture Capital Company'' is defined as a company that has been approved by the Administration to operate under the New Markets Venture Capital Program, and has entered into a participation agreement with the Administration to make equity investments and provide technical assistance to small enterprises located in low- or moderate-income areas.

The term ''low income geographic area'' means a census tract, or the equivalent county division as defined in the Bureau of the Census for purposes of defining poverty areas, in which the poverty rate is not less than 20 percent. In those areas in a metropolitan area 50 percent or more of the households must have an income equal to less than 60 percent of the median income for the area. In rural areas the median household income for a tract must not exceed 80 percent of the statewide median household income. This definition also includes any area located

The term ''low income individual'' is included for the purpose of allowing waivers of the low income area requirement for areas of significant economic disadvantage that may not otherwise qualify. A low income individual is defined as someone whose income does not exceed 80 percent of the area median income in metropolitan areas, or 80 percent of either the area or statewide median income in rural areas.

The term ''operational assistance'' is defined as management, marketing, and other technical assistance that assists a small business concern with business development.

''Participation agreement'' is defined as an agreement between the Administration and an NMVC Company detailing the company's operating plan and investment criteria; and requiring that investments be made in smaller enterprises as least 80 percent of which are located in low income geographic areas.

''Specialized Small Business Investment Company'' means any small business investment company that was licensed under section 301(d) as in effect before September 30, 1996.

Section 352. Purposes

Describes the purposes of the Act, which are:

(1) to promote economic development and the creation of wealth and job opportunities in low- or moderate-income geographic areas and among individuals living in such areas by encouraging developmental venture capital investments in smaller enterprises primarily located in such areas; and

(2) to establish a developmental venture capital program, with the mission of addressing the unmet equity investment needs of small entrepreneurs located in low- or moderate-income areas; to be administered by the Small Business Administration; to enter into a participation agreement with NMVC companies; to guarantee debentures of NMVC companies to enable each such company to make developmental venture capital investments in smaller enterprises in low- or moderate-income geographic areas; and to make grants to NMVC companies for the purpose of providing operational assistance to smaller enterprises financed, or expected to be financed, by such companies.

Section 353. Establishment

Authorizes the SBA to establish the NMVC Program, under which the SBA may form New Markets Venture Capital companies by entering into participation agreements with firms that are granted final approval under the requirements set forth in Section 354 and formed for the purposes outlined in Section 352.

This Section also authorizes SBA to guarantee the debentures issued by the NMVC Companies as provided in Section 355; and to make operational assistance grants to NMVC Companies and other entities in accordance with Section 358.

Section 354. Selection of the New Markets Venture Capital Companies

Establishes the criteria to be followed by SBA in selecting the NMVC Companies. This section provides for specific selection criteria to be developed by the SBA—based on the criteria enumerated in this legislation—and designed to ensure that a variety of investment models are chosen and that appropriate public policy goals are addressed. Geographic dispersion must also be taken into account in the selection process.

H.R. 5663 requires Program participants to satisfy the following application requirements:

(1) Each NMVC must be a newly formed, for-profit entity with at least $5 million of contributed capital or binding capital commitments from non-Federal investors, and with the primary objective of economic development in low- or moderate-income geographic areas.

(2) Each NMVC's management team must be experienced in some form of community development or venture capital financing.

(3) Each NMVC must concentrate its activities on serving its investment areas, and submit a proposal that will expand economic opportunities and address the unmet capital needs within the investment areas.

(4) Each applicant must submit a strong proposal to provide operational assistance, including the possible use of outside, licensed professionals.

(5) Each NMVC must have binding commitments (in cash or in-kind) for operational assistance and overhead, payable or available over a multi-year period not to exceed 10 years, in an amount equal to 30% of its committed and contributed capital. These commitments may be from any non-SBA source and the cash portion may be invested in an annuity payable semi-annually over a multi-year period not to exceed 10 years.

The Committee is well aware that it will be difficult for some NMVCs to raise their

entire operational assistance match during the application stage. Those NMVCs that are unable to raise the required match, but have submitted a reasonable plan to the Administrator to meet the requirement, may be granted a conditional approval from the Administrator and be allowed to draw one dollar of federal matching funds for every dollar of private funds raised provided that (for the purpose of final approval) they raise at least 20 percent of the required matching funds, and have at least 20 percent of the match on hand when applying for additional grant funds.

The Committee believes that it is important to give NMVCs the flexibility to obtain the required private operational assistance funds, however, from a safety and soundness standpoint, federal assistance funds should not be placed at greater risk than private assistance funds.

This conditional approval shall be made with the expectation that the required capital funding commitments will be obtained within two years of the conditional approval.

The bill also authorizes SBA to select firms that have experience with investing in enterprises located in low income areas to participate as NMVCs. SBA will enter into an agreement with each NMVC setting forth the specific terms of that firm's participation in the program. Each agreement will be tailored to the particular NMVC's operations and will be based on the NMVC's own proposal, submitted as part of the NMVC's application form. The agreement will require that investments be made by the NMVC in smaller enterprises, at least 80% of which are located in low income geographic areas.

In order for an investment to be counted toward the 80% goal under H.R. 5663, the investment must be made in a small business concern located in an LI area. This ensures that the New Markets Venture Capital Company Program will focus investment capital where it is most needed, rather than duplicating existing SBA programs.

The Committee believes that the targeting of low-income communities is the most important element of H.R. 5663. If Congress and the Administration are serious about helping our nation's low-income cities, towns, and rural areas we should demonstrate our commitment by ensuring that this bill is focused on these areas. The Committee has accomplished this by requiring that 80% of all investment will concentrate on those needing this help the most.

By clearly focusing this legislation on the communities that need assistance the most, the Committee has maximized the impact of this program. It is also the Committee's view that by investing the majority of funds in low income communities, we will not only provide the benefit of increased opportunities for working families, but H.R. 4530 will also provide the benefit of improving the physical community. This double benefit ensures that the resources spent under H.R. 4530 will provide the maximum economic impact on the low- or moderate-income communities to which this bill is targeted.

The Committee recognizes that the legislation may offer some benefits to working families located outside of the LMI areas as defined by the legislation. To address this concern, up to 20% of a New Markets Venture Capital Company's investments are permitted in those businesses that are in need of equity investment, but fall outside the LMI areas as defined by the legislation. However, it is the

Section 355. Debentures

Authorizes SBA to guarantee debentures issued by NMVC companies. The terms of the guaranteed debentures issued under this section may not exceed 15 years and the maximum total guarantee for any NMVC company shall not exceed 150 percent of a company's private capital.

Section 356. Issuance and Guarantee of Trust Certificates

Authorizes SBA to issue and guarantee trust certificates representing ownership of all or part of the debentures issued by an NMVC company and guaranteed by the Administration. Each guarantee issued under this section is limited to the amount of the principal and interest on the guaranteed debentures that compose the trust or pool of certificates.

This section grants SBA subrogation and ownership rights over the trust certificates guaranteed under this section, but prohibits SBA from collecting a fee for any guarantee of a trust certificate issued under this section. Finally, this section allows SBA to contract with an agent to carry out the polling and central registration functions for the trust certificates issued.

Section 357. Fees

Authorizes SBA to charge such fees as it deems appropriate with respect to any guarantee or grant issued to an NMVC company. This authorization is subject to the prohibition contained in Section 356 that prohibits SBA from collecting a fee for any guarantee of a trust certificate issued under the section.

Section 358. Operational Assistant Grants

Authorizes SBA to make operational assistance grants to new Markets Venture Capital Companies established under the legislation and to certain Specialized Small Business Investment Companies.

Each NMVC is eligible for one or more grants, on a matching basis, in an amount equal to the amount the NMVC makes available for operational assistance. The operational assistance grant will be made available to the NMVC semi-annually over a multi-year period not to exceed 10 years. SBA is also authorized to provide supplemental grants to NMVCs.

This section of the bill also allows Specialized Small Business Investment Companies (''SSBICs'') access to the operational assistance grants funds authorized under the program without entering into a participation agreement with SBA to act

This section of the bill explicitly prohibits NMVCs and SSBICs from using operational assistance grants, both the federal contribution and the match, to supplement their own bottom line. This prohibition includes items that are not aimed at directly benefiting the small enterprises, such as, but not limited to—the purchase of furniture, office supplies, physical improvements to the NMVCs' or SSBICs' places of business, and marketing services. The Committee included this limitation to ensure that the investments made through this program will be for the benefit of small businesses located in LMI areas, which is the intent of the legislation.

It is the Committee's view that this provision does allow for operational assistance funds under the legislation to be used for salaries of those NMVC or SSBIC employees that are providing direct technical assistance to the small enterprise. NMVCs and SSBICs that use their own staff to provide the necessary direct assistance to smaller enterprises may be reimbursed for the direct cost of staff out of grant funds, but only to the extent such costs are allocable to the operational assistance.

This section also requires the NMVC companies to document in their operation plan the extent to which they intend to use licensed professionals (e.g., licensed attorneys and Certified Public Accountants) when providing technical assistance that requires such expertise. This ensures that the NMVC companies will provide the best assistance possible to the small business concerns. It is not meant to be constructed as requirement that licensed professionals are sole persons to provide such assistance, but their use is encouraged in highly technical situations.

Evidence presented to the Congress by the community development venture capital advocates indicates that providing technical assistance to a small business dramatically increases that business' chance of success. The Congress wishes to ensure that all small businesses receiving technical assistance under this program will receive the best technical assistance available. We believe this will further increase the businesses' chances of success.

Section 359. Bank Participation

Allows any national bank, and any member bank of the Federal Reserve System to invest in an NMVC company formed under this legislation so long as the investment would not exceed 5 percent of the capital and surplus of the bank.

Banks that are not members of the Federal Reserve System are allowed to invest in an NMVC company formed under this legislation so long as such investment is allowed under applicable State law, and so long as the investment would not exceed 5 percent of the capital and surplus of the bank.

Section 360. Federal Financing Bank

Establishes that Section 318 of the Small Business Investment Act does not apply to any NMVC company created under this legislation.

Section 361. Reporting Requirements

Establishes reporting requirements for the NMVC companies.

Specifically, the NMVC companies are required to provide to SBA such information as the Administration requires, including: information related to the measurement criteria that the NMVC proposed in its program application; and, for each case in which the NMVC makes an investment or a grant to a business located outside of an LMI area, a report on the number and percentage of employees of the business who reside in an LMI area.

Section 362. Examinations

Requires that each NMVC company shall be subjected to examinations made at the direction of the Investment Division of SBA. This section allows for examinations to be conducted with the assistance of a private sector entity that has both the necessary qualifications and expertise.

It is the intent of the Committee that the oversight of the NMVC program be modeled after that developed for the SBIC program and administered by SBA's Investment Division. Oversight should include a close working relationship between SBA analysts and NMVC management teams, detailed reporting requirements, frequent on-site examinations to evaluate performance and conformance with the operating plan, and careful analysis of the firm's economic impact.

Section 363. Injunctions and Other Orders

Grants SBA the power of injunction over NMVC companies and the authority to act as

a trustee or receiver of a company if appointed by a court.

This section of the legislation closely tracks the existing injunction provision (Section 311) of the Small Business Investment Act of 1958. Again, it is the Committee's intent that oversight of the NMVC program be modeled after that developed for the SBIC program and administered by SBA's Investment Division. This oversight should include a close working relationship between SBA analysts and NMVC management teams, detailed reporting requirements, frequent on-site examination to evaluate performance and conformance with the operating plan, and careful analysis of the firm's economic impact.

Section 364. Additional Penalties for Noncompliance

Grants SBA or the Attorney General the authority to file a cause of action against an NMVC company for noncompliance. Should a court find that a company violated or failed to comply with provisions of this legislation or other provisions of the Small Business Investment Act of 1958, this section grants SBA the authority to void the participation agreement between the company and the SBA.

Section 365. Unlawful Acts and Omissions; Breach of Fiduciary Duty

Defines what is to be considered as a violation of this legislation, who is considered to have a fiduciary duty, and who is ineligible to serve as an officer, director, or employee of any NMVC company because of unlawful acts.

This section of the legislation closely tracks the unlawful acts provision (Section 314) of the Small Business Investment Act of 1958. It is the Committee's intent to grant SBA the same authority over NMVC companies that it has over Small Business Investment Companies with respect to unlawful acts and the breach of fiduciary responsibility.

Section 366. Removal or Suspension of Directors or Officers

Grants SBA the authority to use the procedures set forth in Section 313 of the Small Business Investment Act of 1958 to remove or suspend any director or officer of any NMVC company.

Section 367. Regulations

Authorizes the Small Business Administration to issue such regulations as it deems necessary to carry out the provisions of the legislation.

Section 368. Authorization of Appropriations

Authorizes appropriations for the Program for Fiscal Years 2001 through 2006. This section authorizes such subsidy budget authority as necessary to guarantee $150,000,000 of debentures and $30,000,000 to make operational assistance grants.

The Committee estimates that the Program will only require a one-time appropriation of $45 million—$15 million for loan guarantees and $30 million for operational assistance grants. This $15 million will allow SBA to back $150 million in loans to small business in low- or moderate-income areas.

Section 368(c). Conforming Amendment

Makes a conforming change to the Small Business Investment Act of 1958 to account for the changes made by this legislation.

Section 368(d). Calculation of Maximum Amount of SBIC Leverage

Allows Small Business Investment Companies (''SBICs'') to obtain additional access to leverage outside the statutory caps. The exemption of the SBICs, however, is limited only to investments they make in LMI areas.

This section provides that investments made in LMI areas will not apply against the leverage cap of the individual SBIC as long as the total amount invested through the program does not exceed 50% of the SBIC's paid-in capital.

Section 368(e). Bankruptcy Exemption

Adds NMVC companies to the list of entities that may not be considered a debtor under a Title 11 bankruptcy proceeding.

Section 368(f). Federal Savings Associations

Amends the ''Home Owners Loan Act'' to allow federal savings associations to invest in an NMVC company formed under this legislation so long as the investment would not exceed 5 percent of the capital and surplus of the savings association.

Section 102. BusinessLINC Grants and Cooperative Agreements.

H.R. 5663, also contains section 102 which establishes the BusinessLINC program, designed to promote business growth in inner cities and economically distressed rural areas by matching large and small firms into business-to-business partnering and mentoring relationships. BusinessLINC would accomplish this by providing seed funding to third party entities such as local Chambers of Commerce to promote such relationships. In addition to seed funding, such entities will also receive funds for technical assistance programs to small businesses to supplement the mentor-protege relationships established as a result of BusinessLINC.

BusinessLINC helps businesses by providing online information and a database of companies that are interested in mentor-protege programs.

Grants may be made to a coalition/combination of private and public entities only if the coalition/combination provides an amount, either in kind or in cash, equal to the grant amount for the purposes above.

Despite the unprecedented economic prosperity we are experiencing in this country, there are several areas of the country that have still not achieved parity. These areas are primarily inner cities, rural areas, and Native American communities. BusinessLINC will enable business opportunities for small businesses who would otherwise have no access to outside larger markets. While these small businesses have strong potential, they are located in communities where corporate America would not necessarily look. BusinessLINC will break that barrier. When the BusinessLINC model has been applied in the past, small businesses have seen growth as much as 45 percent. With this assistance, the local community will be charting its own path to recovery. The ''LINC'' in BusinessLINC stands for ''Learning, Information, Networking and Collaboration.''

Section 102 adds a new paragraph (n) ''BusinessLINC Grants and Cooperative agreements.'' to section 8 of the Small Business Act.

Paragraph (1) allows the Administrator to make grants or enter into cooperative agreements with any coalition/combination of private and/or public entities to (a) promote business-to-business relationships between large and small businesses and (b) to provide online information and a database of companies that are interested in mentor-protege programs.

It is the opinion of the Committee that private and/or public entities eligible for grants should be limited to chambers of commerce and other not-for-profit business organizations. The Committee intend that grant money be provided to large businesses. Further, if a grant is made to a combination of entities, one entity must take a lead position.

It is further the opinion of the Committee that promotion of business-to-business relationships between large and small businesses referenced in paragraph (a) above should include the facilitation of such relationships as mentor-protege, prime/subcontractor, and teaming.

The Committee intends that an element to be considered by the Administrator when evaluating a grant proposal, shall be the training of small businesses or ''proteges.'' An additional evaluation element intended by the Committee shall be measurable goals to be achieved through the business-to-business partnerships.

The Committee further intends that the online database referenced in paragraph (b) above, should make use of the SBA's current PRO-Net database to the greatest extent practicable. The Committee is concerned that online privacy issues should also be addressed by the SBA in the implementation of the databases. Further, it is the Committee's opinion that the databases should be vigilantly maintained by the SBA to ensure that only firms eligible to be mentors should be included in the mentor database, and only those firms eligible to serve as intermediaries should be included in the intermediary database.

Paragraph (2) specifies that the Administrator may make grants as long as the coalition/combination of public and/or private entities provides an amount, either in kind or in cash, equal to the grant amount for the purposes delineated in paragraph (1) above.

The Committee is well aware that it may be difficult for some entities to raise their entire match during the application stage. Those entities that are unable to raise the required match, but have submitted to the Administrator a reasonable plan to meet the requirement, may be granted a conditional approval from the Administrator and be allowed to draw one dollar of federal matching funds for every dollar of private funds raised. This conditional approval shall be made with the expectation that the required funding commitments will be obtained within two years of the conditional approval.

The Committee believes that it is important to give entities the flexibility to obtain the required private operational assistance funds, however, from a safety and soundness standpoint, federal funds should not be placed at greater risk than private capital.

Paragraph (3) specifies the authorization for the program for fiscal years 2001 through 2003. This amount shall be $6,600,000 for each of the three fiscal years.

TRIBUTE TO MR. J. KEYS WRIGHT OF TRINITY, AL

HON. ROBERT E. (BUD) CRAMER, JR.

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 15, 2000

Mr. CRAMER. Mr. Speaker, today I pay tribute to Mr. J. Keys Wright of Trinity, Alabama. He has captured so poignantly the troubles we face today with explosions of ethnic cleansing and civil warfare across the globe.

Mr. Wright, an established poet in my district, wrote this poem ''Sons'' in January of 1995. It is especially appropriate to be heard now as we begin this new millennium and we are still plagued with daily new reports tallying the murders and assaults caused by hatred and misunderstanding. I would like for his words of wisdom to be printed, therefore, I submit the following into the CONGRESSIONAL RECORD for others to see and learn.

''Sons''

Sons of Mother Russia, Loyal

Chechens, Brothers of Israel,
Muslim, Christian, Irishman,
Briton, Children of One God.
Run Don't Walk Away from
There, Leave these Fields of Death, Murder No One Else.
Kill no Other Mother's Child
Born of Love and Passion,
Killed by Hate and Greed, To Satisfy an Ambitious Lie.
Fight No More My Brothers,
Our Children, Brothers of My
Soul, Leave Their Killing to Them.
Their Hearts have Drawn and
Withered, Their Minds are Dark
And God, These Ones without A Soul.
Sons of Mother Russia, Loyal
Chechens, Brothers of Israel,
Muslims, Christian, Irishman,
Briton, Children of One God.

NUCLEAR AGE PEACE FOUNDATION

HON. LOIS CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, December 15, 2000

Mrs. CAPPS. Mr. Speaker, today I bring to the attention of my colleagues, a thoughtful article by David Kreiger which appeared in The Santa Barbara Independent, entitled "An Open Letter to the Next U.S. President: Abolish Nuclear Weapons." I submit the following article into the CONGRESSIONAL RECORD.

[From the Santa Barbara Independent, Oct. 12, 2000]

AN OPEN LETTER TO THE NEXT U.S. PRESIDENT: ABOLISH NUCLEAR WEAPONS

(By David Krieger)

The city of Hiroshima's Peace Declaration on August 6, 2000, stated, "If we had only one pencil we would continue to write first of the sanctity of human life and then of the need to abolish nuclear weapons." The citizens of Hiroshima have horrendous first-hand knowledge of the devastation of nuclear weapons. They become the unwitting ambassadors of the Nuclear Age.

If we wish to prevent Hiroshima's past from becoming our future, there must be leadership to reduce nuclear dangers by vigorous efforts leading to the total elimination of all nuclear weapons from Earth. This will not happen without U.S. leadership, and therefore your leadership, Mr. President, will be essential.

Also in the Peace Declaration of Hiroshima is this promise: "Hiroshima wishes to make a new start as a model city demonstrating the use of science and technology for human purposes. We will create a future in which Hiroshima itself is the embodiment of those 'human purposes.' We will create a 21st century in which Hiroshima's very existence formulates the substance of peace. Such a future would exemplify a genuine reconciliation between humankind and the science and technology that have endangered our continued survival."

With this promise and commitment, Hiroshima challenges not only itself, but all humanity to do more to achieve a "reconciliation between humankind and science and technology." The place where this challenge must begin is with the threat posed by nuclear weapons.

At the 2000 Non-Proliferation Treaty Review Conference, the U.S. and the other nuclear weapons states made an "unequivocal undertaking . . . to accomplish the total elimination of their nuclear arsenals." This commitment is consistent with the obligation in Article VI of the Non-Proliferation Treaty, and with the interpretation of that obligation as set forth unanimously by the International Court of Justice in its landmark 1996 opinion on the illegality of nuclear weapons.

In addition to moral and legal obligations to eliminate nuclear weapons, it is also in our security interests. Nuclear weapons are the greatest threat to the existence of our nation and, for that matter, the rest of the world. The American people and all people would be safer in a world without nuclear weapons. The first step toward achieving such a world is publicly recognizing that it would be in our interest to do so. That would be a big step forward, one that no U.S. president has yet taken.

In the post-Cold War period, U.S. policy on nuclear weapons has been to maintain a two-tier structure of nuclear "haves" and "have-nots." We have moved slowly on nuclear arms reductions and have attempted (unsuccessfully) to prevent nuclear proliferation. We have not given up our own reliance on nuclear weapons, and we have resisted any attempts by NATO members to re-examine NATO nuclear policy.

One of the early decisions you will be asked to make, Mr. President, is on the deployment of a National Missile Defense. While this resurrection of the discredited "Star Wars" system will never be able to actually protect Americans, it will anger the Russians and Chinese, undermine existing arms control agreements, and most likely prevent future progress toward a nuclear weapons-free world. The Russians have stated clearly that if we proceed with deploying a National Missile Defense, they will withdraw from the START II Treaty and the Comprehensive Test Ban Treaty. This would be a major setback in U.S.-Russian relations at a time when Russia has every reason to work cooperatively with us for nuclear arms reductions.

In fact, Russian President Putin has offered to reduce to 1,500 the number of strategic nuclear weapons in START III. Well-informed Russians say that he is prepared to reduce Russia's nuclear arsenal to under 1,000 strategic weapons as a next step. We have turned down this proposal and told the Russian government that we are only prepared to reduce our nuclear arsenal to 2,000–2,500 strategic weapons in START III. This is hard to understand because reductions in nuclear weapons arsenals, particularly the Russian nuclear arsenal, would have such clear security benefits to the United States.

The Chinese currently have some 20 nuclear weapons capable of reaching U.S. territory. If we deploy a National Missile Defense, China has forewarned us that they will expand their nuclear capabilities. This would be easy for them to do, and it will certainly have adverse consequences for U.S.-Chinese relations. Additionally, it could trigger new nuclear arms races in Asia between China and India, and India and Pakistan.

North Korea has already indicated its willingness to cease development of its long-range missile program in exchange for the development assistance that they badly need. We should pursue similar policies with Iraq, Iran, and other potential enemies. We should vigorously pursue diplomacy that seeks to turn potential enemies into friends.

Rather than proceeding with deployment of a National Missile Defense, we should accept President Putin's offer and proceed with negotiations for START III nuclear arms reductions to some 1,000 to 1,500 strategic nuclear weapons on each side. Simultaneously, we should provide leadership for multinational negotiations among all nuclear weapons states for a Comprehensive Treaty to Eliminate Nuclear Weapons. This would be a demonstration of the "good faith" called for in the Non-Proliferation Treaty.

In addition to these steps, there are many more positive steps that require U.S. leadership. Among these steps are de-alerting nuclear forces, separating warheads from delivery vehicles, providing assurances of No First Use of nuclear weapons, establishing an accounting for all nuclear weapons and weapons grade materials in all countries, withdrawing nuclear weapons from foreign soil and international waters, and providing internationally monitored storage of all weapons-grade nuclear materials.

The United States is a powerful country. It will have enormous influence, for better or for worse, on the future of our species and all life. Continuing on with our present policies on nuclear weapons will lead inevitably to disaster. Millions of Americans know that we can do better than this. Because these weapons are in our arsenal now does not mean they must always be, if we act courageously and wisely.

We need to set a course for the 21st century that assures that it will be a peaceful century. The lack of leadership to end the nuclear threat to humanity's future is unfortunately augmented by other unwise policies that we pursue. Our country must stop being the arms salesman to the world, the policeman for the world, and the chief trainer for foreign military and paramilitary forces.

We need to become an exporter and promoter of democracy and decency, human rights and human dignity. If these values are to be taken seriously abroad, we must demonstrate their effect in our own society. To do this, we need to reduce rather than increase military expenditures. We are currently spending more on our military than the next 16 highest military-spending countries combined. This is obscene and yet it goes unchallenged. It is another area where presidential leadership is necessary.

We live in a world in which borders have become incapable of stopping either pollution or projectiles. Our world is interconnected, and our futures are interlinked. We must support the strengthening of international law and institutions. Among the treaties that await our ratification are the Comprehensive Test Ban Treaty, the Land Mine Prohibition Treaty, the Treaty on the Rights of the Child, the Treaty on the Law of the Sea, the Convention on the Elimination of All Forms of Discrimination Against Women, and the Treaty for an International Criminal Court.

Mr. President, I have watched many of your predecessors fail to act on these issues. You have the opportunity to set out on a new path, a path to the future that will bring hope to all humanity. I urge you to accept the challenge and take this path. Be the leader who abolishes nuclear weapons. It would be the greatest possible gift to humanity.

EXPRESSING THANKS TO COMMITTEE ON INTERNATIONAL RELATIONS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, December 15, 2000

Mr. GILMAN. Mr. Speaker, S. 2943, S. Con. Res. 138, and S. Con. Res. 158 are likely the last matters I will bring to the floor in my capacity as Chairman of the Committee on International Relations. I have had the honor of

having served as the Chairman of the Committee for six years, preceded by two years as its Ranking Republican.

I would like to express my thanks to the Members of the Committee for their constructive cooperation over these past years. I will miss those who will be leaving the House—my colleagues BILL GOODLING, MATT SALMON, TOM CAMPBELL, MARK SANFORD, SAM GEJDENSON, and PAT DANNER.

I have worked closely with Mr. GEJDENSON, who has served as my ranking Democrat for two years, and I will miss him. I look forward to working with TOM LANTOS as he takes up the mantle of leadership on the other side of the aisle.

The House leadership has made it possible to bring our bills and resolutions to the floor. I appreciate their support and understanding of our concerns. We have also had great help from the Rules Committee under Mr. DREIER and his predecessor, Mr. Solomon. The cooperation of the Democrats in leadership and Rules has also been indispensable.

Mr. Speaker, I would like to thank you and through you, the other presiding officers who have stood in your place as we have brought innumerable matters to the floor. Your fairness and patience has always been appreciated. I would like to say to the leadership staff to those who work on the floor and in the leadership offices off the floor—especially Brian Gunderson, Shioban McGill, and Kirk Boyle—how much we appreciate your help.

The House Parliamentarian, Mr. Charles Johnson, as well as his deputies, assistants, and clerks have always been available to us with wise advice. The official reporters and transcribers, the staff of the office of legislative operations, the cloakroom staffs, the doorkeepers, and the pages all make this House run. Thus, they are critical to our democracy.

We have had able help over the years from the office of the House Legislative Counsel, especially from Mark Synnes, Yvonne Haywood, Sandy Strokoff, and the unsung heroes of the ''Ramseyer section''.

Our Committee's chief of staff, Rich Garon, has coordinated the work of a wonderful group of professionals, as has his counterpart on the Democratic side, Kathleen Moazed. None of our work could have been accomplished without them, and I hope that they will continue to serve the country through their work in this House or elsewhere in government. Rather than name them all, Mr. Speaker, I will insert a list of our staff in the RECORD, with my thanks and, I am certain, the thanks of all of our Members.

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Daily Digest

Senate

The Senate adjourned sine die on Friday, December 15, 2000. The 1st session of the 107th Congress will convene on Wednesday, January 3, 2001.

House of Representatives

The House adjourned sine die on Friday, December 15, 2000. The 1st session of the 107th Congress will convene on Wednesday, January 3, 2001.

Next Meeting of the SENATE

12 noon, Wednesday, January 3, 2001

Senate Chamber

Program for Wednesday: Convening of the 1st session of the 107th Congress.

Next Meeting of the HOUSE OF REPRESENTATIVES

12 noon, Wednesday, January 3, 2001

House Chamber

Program for Wednesday: Convening of the 1st session of the 107th Congress.

Extensions of Remarks, as inserted in this issue

HOUSE

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