United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 107th CONGRESS, FIRST SESSION

Vol. 147 WASHINGTON, WEDNESDAY, APRIL 4, 2001 No. 48

House of Representatives

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. SUNUNU).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
April 4, 2001.

I hereby appoint the Honorable JOHN E. SUNUNU to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

PRAYER

Rabbi Jimmy Kessler, Congregation B'nai Israel, Galveston, Texas, offered the following prayer:

When my grandparents Sol Aron, Pincus Kessler, Fred Nussenblatt, and Ralph Hoffman fled inhuman treatment in Europe, I wonder what their prayers would be this day. Surely, standing in this hallowed place inspires my deepest gratitude for their courage and faith and for the freedom and strength of our great Nation. Moreover, though it may be routine for some of you in this room today, it is truly an awesome moment for me to realize those who have stood here before me and to be privileged to occupy that same space.

Cognizant of this precious moment, I have chosen words that I believe echo feelings shared by many of my fellow citizens that in this Chamber are 435 of the choicest blessings our country possesses. In each of you are our dearest wishes, our choicest hopes, and our sincerest aspirations for today and all the tomorrows. Please know that you carry in your words and in your hands our special trust, and by your actions and words you bless us.

Our God and God of our Ancestors:

Watch over those who stand in this House. Keep them ever mindful of our expectations and the trust we place in them. Give them wisdom for their actions and grant to each of them when they leave this Chamber daily the joy of being able to say that the words of their mouths and the meditations of their hearts are acceptable in Your sight, and, therefore, truly know that they are a blessing to those of us for whom they stand here. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentlewoman from Texas (Ms. GRANGER) come forward and lead the House in the Pledge of Allegiance.

Ms. GRANGER led the Pledge of Allegiance as follows:

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

WELCOME TO RABBI JIMMY KESSLER

(Mr. LAMPSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAMPSON. Mr. Speaker, it is a real pleasure for me today to welcome Rabbi Jimmy Kessler to Washington and to thank him for his inspirational invocation. Rabbi Kessler, a native Houstonian, is rabbi of Congregation B'nai Israel of Galveston, the oldest Reform congregation in Texas. I am proud that he is a part of my congressional district and proud that he can be here today.

Rabbi Kessler is not only a spiritual leader in Galveston County and throughout Texas, but he is a civic leader as well. People of all faiths turn to him for his counsel and his wisdom. He and his wife, Shelley Nussenblatt Kessler, are personal friends of my wife Susan and me. They are people who we count on for guidance and support.

Rabbi Kessler is a leader throughout Texas when it comes to speaking out against discrimination and bigotry. He is a shining example of the diversity that makes the 9th Congressional District the beautiful mosaic that it is. Some of my colleagues may not know this, but the word ''rabbi'' in Hebrew means teacher, and that Rabbi Kessler truly is.

Mr. Speaker, I urge my colleagues, regardless of their faith, to reflect on the words that the rabbi said today when he addressed this body. I think my colleagues will see the wisdom in this teacher's words.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 5 1-minute speeches on each side.

CHINA IS AT FAULT

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, China's President should apologize to the United States for its aggression in the accident with one of our airplanes over international waters. This is not the first time Chinese Air Force fighter pilots have recklessly and aggressively flown by our slower-moving planes over international waters well outside of China's boundaries to harass our Air Force planes. They have done this repeatedly and have been warned of the

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danger. Unfortunately, this time, the Chinese fighter caused an accident.

This reckless aggression, the forced landing of our disabled plane, and now the holding of our crew and plane as hostages, and now China's belligerence is outrageous. It violates international agreements that China has signed; it damages U.S.-China relations.

President Bush should stand firm and strong and demand an apology from the dictators in Beijing, the immediate return of the American crew and plane. China is at fault on this one.

CHINA TESTING AMERICAN RESOLVE

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, after holding 24 Americans as prisoners, China now demands an apology, an apology for spying on a country who has missiles pointed at us. Beam me up. China is now testing American resolve, piece by piece, incident by incident.

Mr. Speaker, we need to tell it like it is. China is trying to determine what Congress and Uncle Sam will do when China attacks Taiwan. That is the way it is, folks. I say the dragon is going too far.

I yield back the fact that an attack on Taiwan is an attack on democracy, and, by God, that should be considered an attack on the United States of America.

SUPPORT CRUCIAL FUNDING FOR RYAN WHITE CARE ACT

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, my home State of Florida ranks third in people reporting full-blown AIDS and, in my district of Miami, fourth in the top 10 cities. The lifetime medical cost of one AIDS case is estimated at $69,000, which means that uninsured or underinsured patients would have little or no recourse for affording treatment if it were not for the Ryan White Care Act.

These programs have been a critical source of care and services for people living and dealing with HIV/AIDS. The Ryan White Care Act provides funding to support a range of HIV care and services, from HIV testing and counseling to prescription drugs and home hospice care. It is founded on a strong partnership between the Federal Government, States and local communities, and it emphasizes less costly outpatient and primary care to prevent expensive emergency room visits and hospitalizations.

The Ryan White Care Act serves approximately 500,000 individuals with HIV and AIDS every year. The reauthorization of this act last October was a great victory for the AIDS community. It was a victory for America's 400,000 plus families who will lose a loved one this year to AIDS. On their behalf, we ask our colleagues to support crucial funding for the Ryan White Care Act this year.

COMPLETED COUNTING REAFFIRMS BUSH VICTORY

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, even before Vice President Gore conceded the Presidential election, the Democrats talked about counting all of the ballots to see who really won. Well, that task has been accomplished.

The Miami Herald, Knight Ridder and USA Today conducted a comprehensive review of more than 64,000 ballots in all 67 Florida counties. What did this review find? Bush's margin of 537 votes would have increased to 1,665 if all the ballots were counted. This number was reached using the standard of counting every dimple, pinprick or hanging chad as a valid vote.

Under different scenarios, counting chads with two corners detached, or counting dimples for the Presidential election, the verdict was the same: Governor Bush still would have won.

This election was decided conclusively last year. For those who could not accept this fact, there was this fantasy, ''What if all the votes had been counted?'' The answer remains the same: President George W. Bush.

HANDS ARE NOT FOR HURTING

(Ms. HOOLEY of Oregon asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. HOOLEY of Oregon. Mr. Speaker, hands are not for hurting. It is a simple phrase and a simple concept, but one that too many never learn.

I rise today to spread the word about the Hands Are Not For Hurting Project started by Ann Kelley, a woman in Salem, Oregon, who is dedicating her life to violence prevention. Ann got the idea that if all children took a pledge that they would not use their hands for hurting and signed that pledge on a purple paper cut-out of their hand, then that simple idea may penetrate. She reasoned that because violence is a learned response, it could be unlearned, and we could teach more peaceful and constructive methods of showing anger or resolving disputes.

Hands Are Not for Hurting is now being used by schools, churches, civic groups and government agencies in more than 20 States. Thousands of young people and adults across this country have taken the pledge to refrain from violence.

Today marks one of the saddest anniversaries in America's recent history. To commemorate the life and goals of Martin Luther King, Jr., I would like to urge all of my colleagues to spread the word. Hands are instruments that can paint a masterpiece, sculpt a classic, or wipe a tear from a child's face, but hands are not for hurting.

APRIL IS CHILD ABUSE AWARENESS MONTH

(Ms. GRANGER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. GRANGER. Mr. Speaker, April is Child Abuse Prevention Month, and, unfortunately, child abuse is a very real problem in the United States.

In 1999, 825,000 children were victims of abuse or neglect, a sad and preventable statistic, Mr. Speaker, 825,000 children we cannot afford to turn our backs on. Violence toward one child affects everyone.

Keeping our children safe is a community responsibility because ultimately all of us pay the price for those who grow up in abusive homes by way of increased law enforcement, medical and drug treatment, remedial education, foster care and public assistance.

Child abuse is preventable, and everyone must be involved: neighborhoods, schools, churches, the local government, and the media. Each of us can start by participating in the blue ribbon campaign. It is a tangible way to demonstrate one's concern about child abuse and neglect. So let us wear a ribbon and when someone asks, as I do, what is that ribbon for, instead of just saying that it signifies Child Abuse Prevention Month, let us say, this represents the children who were abused in my community last year. Would you wear one, too, so we will not forget?

Let us remember that children are only 20 percent of our population today, but 100 percent of our future.

RETIREMENT SAVINGS ACCOUNTS

(Mr. NEAL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NEAL. Mr. Speaker, today I am introducing legislation to expand and improve pension coverage for low- and moderate-income workers.

My legislation will provide an incentive for these workers to participate in the current pension system and to hopefully stay in the system once the benefits of compounded interest can be clearly seen. For those who believe that we must really do something to encourage savings, this is an ideal piece of legislation.

This bill will allow individuals to receive up to a 50 percent tax credit on voluntary contributions to an individual retirement account or an employer-sponsored pension plan. The maximum credit would be $1,000 on a $2,000 contribution and would be refundable so that this incentive to save

would be attractive to some who otherwise might not be in a pension system due to low incomes.

The bill also allows small businesses to receive two tax credits, one for start-up administrative costs associated with a new pension plan and another for contributions made to a pension plan for non-highly-compensated employees covered under the plan.

Mr. Speaker, I believe this bill would make significant progress in encouraging employees to participate in a pension system and, most importantly, to keep them participating. I hope this year we will move this legislation and attach it to any piece of major pension legislation that moves or sails through this Congress.

□ 1015

PAYING TRIBUTE TO DAN KROLL

(Mr. ROGERS of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROGERS of Michigan. Mr. Speaker, I rise today to share with this body an uncommon act of my constituents, Dan and Lisa Kroll of Marion Township, Michigan.

Kelly, Ray and Collin Shuler are neighbors of Dan Kroll. Collin, the Shuler's 2-year-old son, suffers from a serious brain injury which causes him to have partial blindness and stunted development. The Shulers have traveled throughout this Nation and to Canada in order to learn physical therapy procedures that they can perform themselves on their son. The family also pays upwards of $30,000 per year in out-of-pocket medical expenses for Collin.

When Dan Kroll and his wife Lisa learned of their young neighbor's condition, they decided to help. By calling contacts on Dan's United Parcel Service route, Dan and his wife Lisa put together a fundraiser for Collin. Dan and Lisa Kroll hosted a major benefit dinner for Collin Shuler. The event was a tremendous success, gathering friends and neighbors, nearly 500 individuals who attended, and more than $20,000 was raised.

Mr. Speaker, we are quick sometimes to condemn the acts of aggression, and not so quick sometimes to celebrate the acts of kindness that happen in America. Dan and Lisa Kroll have shown this kind of kindness by bringing the entire community of Howell, Michigan, together to make a difference in the lives of their neighbors.

This act of kindness must not go without recognition. Therefore, Mr. Speaker, I respectfully ask my colleagues to join me in paying tribute to Dan Kroll for being an inspiration to us all, and for reminding us that community service is an important part of American life.

PRINTING OF REVISED AND UPDATED VERSION OF ''WOMEN IN CONGRESS, 1917–1990''

The SPEAKER pro tempore (Mr. SUNUNU). The unfinished business is the question of suspending the rules and agreeing to the concurrent resolution, House Concurrent Resolution 66.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. NEY) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 66, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 414, nays 1, not voting 16, as follows:

[Roll No. 79]

YEAS—414

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Bentsen
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Ferguson
Filner
Flake
Fletcher
Foley
Ford
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E.B.
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Wicker
Wilson
Wolf
Wu
Wynn
Young (FL)

NAYS—1

Paul

NOT VOTING—16

Becerra
Bereuter
Fattah
Fossella
Gordon
Johnson, Sam
Kennedy (RI)
Latham
Matsui
McKinney
Meek (FL)
Rush
Tierney
Whitfield
Woolsey
Young (AK)

□ 1039

Mr. HOUGHTON, Mr. EHLERS, and Ms. BERKLEY changed their vote from ''nay'' to ''yea.''

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. BEREUTER. Mr. Speaker, today, I was off the Hill on official business and missed rollcall vote 79 (H. Con. Res. 66, Revising and Updating "Women in Congress, 1917–1990"). Had I been present I would have voted "yea."

PROVIDING FOR CONSIDERATION OF H.R. 8, DEATH TAX ELIMINATION ACT OF 2001

Mr. REYNOLDS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 8 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 111

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 8) to amend the Internal Revenue Code of 1986 to phase out the estate and gift taxes over a 10-year period, and for other purposes. The bill shall be considered as read for amendment. The amendment recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the further amendment printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Rangel of New York or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. SUNUNU). The gentleman from New York (Mr. REYNOLDS) is recognized for 1 hour.

Mr. REYNOLDS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MOAKLEY), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

(Mr. REYNOLDS asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. REYNOLDS. Mr. Speaker, House Resolution 111 is a modified closed rule providing for consideration of H.R. 8, a bill to phase out the estate tax over 10 years.

The rule provides for 1 hour of general debate, equally divided and controlled by the chairman and the ranking member of the Committee on Ways and Means. Additionally, the rule waives all point of order against consideration of the bill.

The rule provides that the amendment recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted.

The rule also provides consideration of the amendment in the nature of a substitute, printed in the Committee on Rules report accompanying the resolution, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered as read and shall be separately debatable for 1 hour equally divided and controlled between a proponent and an opponent.

Furthermore, the rule waives all points of order against the amendment in the nature of a substitute.

Finally, the rule provides for one motion to recommit with or without instructions.

Mr. Speaker, I speak in strong support of this rule and its underlying bill, H.R. 8, the Death Tax Elimination Act of 2001.

Mr. Speaker, the issue before us today is not a new one; the 106th session of Congress voted three times in a bipartisan fashion to eliminate the death tax. In fact, this Congress fell only a handful of votes shy of overturning the Presidential veto.

Once again, we have the opportunity to bury the death tax once and for all. And this time I believe we can do it free from the threat of a Presidential veto.

This tax was initially imposed to prevent the very wealthy from passing on their wealth from one generation to the next. At the time, this well-intentioned tax eased concerns about the growing concentration of money and power among a small number of wealthy families. Later, it was used to fund national emergencies, and it became necessary to maintain these tax rates at high war-time levels during the 1930s and 1940s. But they remained relatively unchanged until the Tax Reform Act of 1976.

Ironically, the death tax today serves little of the purpose for which it was intended. Rather than prevent the concentrated accumulation of vast wealth, the death tax punishes savings, thrift and hard work among American families.

Small businesses and farmers are penalized for their blood and sweat and tears, paying taxes on already-taxed assets. Instead of investing money on productive measures such as business expansion or new equipment, businesses and farms are forced to divert their earnings to tax accountants and lawyers just to prepare their estates.

□ 1045

As has been pointed out by the American Farm Bureau, families own 99 percent of our Nation's farms and ranches, and those farmers and ranchers pay taxes at a rate much higher than the population at large.

Not long ago, over 100 of some of the richest people in the world, including Bill Gates, Sr., Warren Buffett, Paul Newman, and members of the Rockefeller family, took out a full page ad in The New York Times urging Congress not to eliminate the death tax. It is not, however, these few megamillionaires who most suffer from the punitive effects of the death tax. Had they spent their lives milking herds or plowing fields, they might understand why the Farm Bureau has made elimination of the death tax its number one legislative priority.

The victims of the death tax are typically hard-working Americans with medium-sized estates; farmers and small business owners. Their enterprises create jobs, growth, and opportunity in our hometown communities, but every year thousands of heirs are literally forced to sell the family farm or business just to pay off their death taxes.

As Farm Bureau president Bob Stallman said during testimony before the Committee on Ways and Means, and I quote, "Farm operations are capital-intensive businesses whose assets are not easily converted into cash. In order to generate the funds that are needed to pay hefty death taxes, heirs often have to sell parts of their businesses. When parts are sold, the economic viability of the business is destroyed."

Indeed, with penalties reaching as high as 55 percent, these farmers and ranchers are often forced to sell off land, buildings or equipment otherwise needed to operate those businesses. The death tax is turning the American Dream into the "Nightmare On Elm Street."

Equally disturbing is the fact that the death tax actually raises relatively little revenue for the Federal Government. Some studies have found that it may cost the government and taxpayers more in administrative and compliance fees than it raises in revenues.

Of course, farmers and ranchers are not the only ones facing an unfair and unnecessary burden from the death tax. Not long ago, the Public Policy Institute of New York State conducted a survey on the impact of the Federal estate tax on upstate New York. The findings were alarming. The study found that in a 5-year period, family-owned and operated businesses on the average spent $125,000 per company on tax planning alone. These are costs incurred prior to any actual payment of the Federal estate taxes. They reported that an estimated 14 jobs per business have already been lost as a result of the Federal estate tax planning. For just the 365 businesses surveyed, the total number of jobs already lost to the Federal estate tax is over 5,100, and that is just in upstate New York.

According to the National Federation of Independent Businesses, nearly 60 percent of business owners say they would add more jobs over the coming years if death taxes were eliminated, more jobs and greater opportunities for our citizens.

As William Beach, director for the Center for Data Analysis at the Heritage Foundation, recently wrote, the death tax cuts across all racial and community lines. "Take the Chicago Defender newspaper, an important

voice for the black community for nearly a century,'' Beach wrote. ''When Defender owner John Sengstacke died recently, his granddaughter was forced to seek outside investors and even considered selling the paper to pay off the death taxes, which totaled $4 million.

''More blacks can expect the same experience,'' he continued. ''Income levels in black households have tripled over the last 24 years, and the number of black-owned businesses more than doubled from 1987 to 1997. According to a recent survey, the death tax is the most feared Federal tax'' among these business owners.

My rural and suburban district in New York is laden with small businesses and farms. They are owned by hard-working families who pay their taxes, create jobs, and contribute not only to the quality of life of their community, but to this Nation's rich heritage. Is it so much to ask that they be able to pass on their industry and hard work, their small business or their farm to their children? Must Uncle Sam continue to play the Grim Reaper?

The fact is they paid their taxes in life on every acre sewn, on every product sold, and every dollar earned. They should not be taxed in death, too.

Mr. Speaker, I would like to commend the chairman of the Committee on Ways and Means, the gentleman from California (Mr. THOMAS); and the ranking member and my colleague, the gentleman from New York (Mr. RANGEL), for their hard work on this measure. I would also like to extend my gratitude to the gentlewoman from Washington (Ms. DUNN) and the gentleman from Tennessee (Mr. TANNER) for their tireless efforts to once again bring this important measure to the House floor.

Mr. Speaker, I urge my colleagues to bury this unfair tax once and for all by approving both the rule and its underlying legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I thank my dear friend, the gentleman from New York (Mr. REYNOLDS), for yielding me the time, and I yield myself such time as I may consume.

Mr. Speaker, to listen to my Republican colleagues singing the praises of this bill, one would think it was going to change the lives of millions of Americans the minute the ink was dry. But before anybody starts spending the inheritance, they should read the fine print, Mr. Speaker. This bill is full of it.

For starters, this bill does not actually repeal the estate tax until the year 2011. To listen to the other side, Mr. Speaker, one would think that repeal was waiting just around the corner; that it was something everyone could plan on. The fact is my Republican colleagues wait another 10 years, just beyond the reach of any budget enforcement, to repeal this estate tax.

Do my colleagues know what 10 years means, Mr. Speaker? It means five new Congresses, and it means at least one, and possibly two, new Presidents. If this bill were signed into law today, all those new political forces would have to agree to stay the course for the estate tax to actually be repealed. I, for one, would not bet the family farm on the many politicians keeping someone else's promise to reduce taxes.

Mr. Speaker, it is not as if this Republican bill would even help most Americans. This bill will not even help the richest of Americans. Under existing laws, fully phased in, the first $1 million of an estate is completely excluded from taxation. For a couple who does the bare minimum estate planning, the first $2 million are completely tax free. Or to put it another way, only the richest 2 percent of all Americans pay any estate tax now. In fact, one-half of all of the estate tax revenue collected in 1998 was paid by only 3,000 families. Most ordinary, hard-working families have absolutely no stake in this bill.

However, the President's Cabinet has a stake in it. President Bush and his Cabinet stand to gain $5 million to $19 million each if this repeal happens. The 50 wealthiest Members of Congress stand to gain, together, about $1 billion if this repeal happens. But for the other 98 percent of us, this bill would provide not 1 cent of tax relief. Nothing. Not one penny.

Mr. Speaker, not all millionaires are treated alike under this bill. Leave it to my Republican colleagues to make distinctions among millionaires and to make sure that the wealthiest go to the head of the relief line. This Republican bill would immediately repeal the 10 percent surtax that applies only to estates valued above $10 million. The Committee on Way and Means Republicans added that provision for the richest of the rich in place of a provision in the introduced bill. The provision they struck would have immediately increased the amounts excluded from the estate tax. That provision would have helped the merely moderately wealthy, family farms, and small businesses.

But Republicans would only let tax relief trickle down to the less wealthy millionaires after a few more years. Your ordinary millionaire, whose estate is worth $3 million, will not see any relief under the Republican bill until 2004, and then these rates would be reduced to 1 or 2 percentage points until the year 2011.

The problem is that my Republican friends believe in budgetary magic. Last week House Republicans passed their ''three-card monte'' budget. Just when it looks like you can tell how huge their tax cuts are, they throw a little hocus-pocus at you, and they give the Committee on the Budget chairman authority to increase, but not to reduce, the size of any tax cuts.

Mr. Speaker, do you know why? Because House Republicans believe that $1.6 trillion is just the starting point. They believe that $1.6 trillion may cover President Bush's proposals, but they have a few proposals of their own to throw into the mix. How will they pay for their trillions of dollars in tax relief for the rich? In the budget they propose deep cuts in low-income heating assistance. They slash the growth in education funding; they decimate prescription drug benefits; endanger Medicare, Social Security, defense and agriculture. But then Mr. Speaker, abracadabra, in July, the Committee on the Budget chairman can change all of those spending numbers.

The only thing that they do not say is how all of this would add up. Unfortunately, that is what a budget is supposed to do. This budget illusion is just a variation of an old trick: Make big problems disappear by ignoring them. Republicans believe that they can make the huge cost of repeal disappear if they hold off until the end of the 10-year budget horizon. This is just hoping the big bully will disappear if you do not look at him until the end of recess. Ignoring problems do not work in the playground, and they will not work in the world of public finance. When fully phased in, repealing the estate tax will directly cost Americans $50 billion each year. It will cost States about $6 billion each year, and all of that revenue will be made up in fees and taxes, or cuts in services.

Who will pay it? Mr. Speaker, the other 98 percent of Americans. Repeal will simply shift the burden from the shoulders of the very richest Americans to everyone else's shoulders.

Estate tax repeal encourages inequality. It promotes huge disparity in wealth over many generations. Repeal of the estate tax will remove one of the last remnants of progressivity in the Tax Code. The wealthiest Americans report relatively little of their income during their lifetime because most of it is in the form of accrued but unrealized capital gains, or other tax-preferred investments. The estate tax liability for the wealthiest of Americans is, on average, seven times their income tax liability. By removing the estate tax, we will further increase the inequality of treatment between income derived from capital and income derived from a good day's work.

Mr. Speaker, if we repeal the estate tax, we will be left raising all of the government's revenue with only payroll taxes, taxes on wages, taxes on salaries, taxes on cigarettes, liquor and gasoline, and that is just not fair.

Too many family farms and small businesses still pay the estate tax, but that is a small part of the picture. Family farms and small businesses actually represent only 3 percent of the 2 percent, or 0.0006 percent, of all estates subject to the estate tax. The Republican bill switches from step-up basis under the current law, and retained in the Democratic substitute, to carry-over basis.

Mr. Speaker, that is a tremendous price the inheritors will have to pay down the line. Mr. Speaker, they do

not need the promise of a repeal in 10 years, they need immediate relief through expanded exemptions and adjustments for inflation as provided in the Democratic substitute. The Democratic substitute would immediately, and I use the word ''immediately,'' exempt 99.4 percent of all family farms and all small businesses.

The President is fond of saying that he trusts the people. Mr. Speaker, when the people learn that this bill will help only the wealthiest few, when the people learn about the delay and budget gimmickry, I doubt if that trust will be reciprocated. The Republican tax policy is too high-ended to help ordinary, hard-working American families, and it is too back-loaded to be of any help to our sputtering economy today.

Mr. Speaker, I urge my colleagues to defeat the Republican bill and pass the Democratic substitute.

Mr. Speaker, I reserve the balance of my time.

□ 1100

PARLIAMENTARY INQUIRY

Mr. CALLAHAN. Mr. Speaker, I request a point of inquiry. I have a question I need to direct to the Chair and to the ranking member and chairman. It may require them to yield to me 30 seconds each so they can respond.

The SPEAKER pro tempore (Mr. SUNUNU). The gentleman will state his point of inquiry.

Mr. CALLAHAN. My point of inquiry is where can I offer an amendment and where would it be appropriate and would each side support it? As you may know, Mr. Speaker, Warren Buffet, Ted Turner, and Bill Gates, Sr. have all come out against this package. I think that we ought to facilitate them to whatever extent that we can.

The SPEAKER pro tempore. The gentleman does not appear to be making a parliamentary inquiry.

Mr. CALLAHAN. I would respectfully ask that each side yield me 30 seconds so they can respond.

The SPEAKER pro tempore. The gentleman may seek time from either side.

Mr. REYNOLDS. Mr. Speaker, I yield 30 seconds to the gentleman from Alabama (Mr. CALLAHAN).

Mr. MOAKLEY. Mr. Speaker, I yield 30 seconds to the gentleman from Alabama (Mr. CALLAHAN).

The SPEAKER pro tempore. The gentleman is recognized for 1 minute.

Mr. CALLAHAN. My question is, to facilitate these multibillionaires who are against this bill, Mr. Speaker, I want an opportunity to offer an amendment which limits the reductions in this tax to the first billion dollars. I think that this will satisfy them, because they will be able to pay taxes on anything over a billion dollars. Therefore, those that need relief, the poor Americans, would have the opportunity for some relief. It is an honest request. I would respectfully ask the chairman and the ranking member if they would support such an amendment, if they can answer that and the appropriate time, Mr. Speaker, as to when I can introduce it.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

I was just going to answer my dear friend from Alabama. If the Democratic substitute fails, I would gladly back his proposal.

Mr. Speaker, I reserve the balance of my time.

Mr. REYNOLDS. Mr. Speaker, I yield 3 minutes to the gentlewoman from Ohio (Ms. PRYCE).

Ms. PRYCE of Ohio. Mr. Speaker, I thank the gentleman from New York for yielding me this time, and I rise in strong support of this rule and the bill to repeal the death tax.

Mr. Speaker, the American dream is about the opportunity of every American to build a better future for themselves and their children through hard work and personal initiative. It could mean building your own business, pouring your own sweat into a small farm just to turn out a profit and saving each day so that you can leave something to your family. Yet it is these Americans who are working hard, playing by the rules and paying taxes all the while who upon their death become victims of an onerous and unfair tax that discounts their dedication, punishes their entrepreneurship, and denies their dying wishes.

Think of the young man who 50 years ago was the first in his family to go to college. He worked hard, he pulled himself up, and he made a better life. Should he not be able to provide a better life for his family, for his children as a result of his lifetime of work and savings? Rewarding hard work and initiative is part of the promise of our Nation. But, no. Instead, the government taxes this initiative, this promise, not once but twice.

Think of the small businesswoman or family farmer. Their money is used to run their businesses, pay their hard-working employees and invest in needed equipment, all the while paying their taxes. To pay the death tax, families must sell off assets, lay off these workers and even sometimes close their doors completely. This is not right. There is no logic or fairness in this tax. Small, family-owned businesses, farms and ranches are integrally connected to our communities and represent the American values that are at the core of our country. Yet many small businesses and family farms and ranches are not passed on and continued after the first generation because of the death tax.

Let us not talk about carve-outs or exceptions that help only some but not all families. It is time to completely eliminate the death tax and reinvest in America so that business owners, farmers and all dedicated individuals can pass on their dreams and ensure that their values live on.

Mr. Speaker, last year I was joined by every single one of my Republican colleagues and 65 of my friends from across the aisle in voting to eliminate the death tax. We again have a chance to do the right thing and end this tax on the American dream.

Let us bury the death tax.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. CAPUANO).

Mr. CAPUANO. Mr. Speaker, I thank the gentleman for yielding me this time.

There are just a couple of points that I want to make. I want to make it clear to the people at home that the Democratic proposal almost immediately exempts $4 million and below of estates. Now, I know that to some people in this Chamber that does not mean a lot, but it means a lot in my district. I know a handful of people, and I come from a pretty wealthy district, that have estates worth more than $4 million. As a fact, there are only approximately 6,300 estates in the entire United States of America on average in a year that are above the $4 million mark. That is all. Six thousand three hundred estates. If the Democratic proposal is adopted, all but the richest 6,300 people will be exempt from taxation. Period. That is really the bottom line in this debate.

On the Republican proposal, it is just the opposite. We go from the bottom up and they come from the top down. Now, it is funny over the last several years even I from one of the most Democratic districts in the country get questioned, ''What's the difference between Democrats and Republicans?'' This is it. This is it. When it comes to who is going to get the tax relief, we go from the bottom up. They come from the top down. Now, there is nothing wrong with that. It is just a significant different philosophy, one that I am proud to share.

There are a couple of other questions. There were some points made about the administrative costs of the estate tax. Agreed. If you cut out 85 percent of the people subject to taxation, which is what the Democratic bill does, you cut out the cost of administration. You are now only administering 15 percent of the tax bills. The other point I guess I want to make and I do not think it has been made yet this morning but we will hear it all day long about the rates of taxes paid. The actual tax paid on the richest estate, not the rate, not this, not that, after all the loopholes, after all the deductions, after all the exemptions, the actual tax paid is roughly 20 percent.

In the example we heard earlier about a potential $4 million tax bill, guess what? Unless that person had no estate plan which of course if they didn't, their family should sue them. Unless that person had no estate plan, that means that person's estate was probably worth on average $20 million. You do not have a $4 million tax bill unless your estate is worth $20 million which means that person walked away, without doing anything, just by the luck of genetics, with $16 million.

Guess what? I think they will be able to survive on $16 million. My district is very expensive, but I think I could do okay on $16 million for the rest of my life, my kids' lives, their kids' lives, and their kids' lives.

This whole concept of coming from the top down is about as anti-American, I guess that is the only way I can think of it, as I can think. I thought America was built from the bottom up. That is all I ever hear about around here. Nobody ever comes and says, ''Let's help the rich guys.'' They say, ''Let's help the average American.'' The average American does not have an estate worth over $4 million in today's world.

That is why the Democratic proposal is better, that is why it should be adopted, and that is why we should vote yes when the time comes.

Mr. REYNOLDS. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. BLUNT).

Mr. BLUNT. Mr. Speaker, I thank the gentleman for yielding me this time. I rise in support of the rule and of the bill. It is time to eliminate this tax.

I heard my good friend, the gentleman from Massachusetts (Mr. MOAKLEY), earlier today say that 2 percent of the estates in the country are taxed. I think that is an accurate figure. I think we will hear that a lot today. But it is not the 2 percent that most Americans would immediately think it is. It is not the 2 percent that are the wealthiest families in America. In fact, half of all the estates that are taxed, I guess that would be 1 percent of all estates, half of all the estates that are taxed have values of under $1 million.

Now, we all know there is an exemption for up to $675,000. I do not know what that tells my colleagues. What it tells me is that half of the people who pay this tax are people who never expected to pay it. Half of the people who pay this tax are people who would be shocked if they were still alive as their families are shocked to find out that their small business, their family farm, is worth more than $675,000. When that happens, 55 cents out of every dollar goes to the Federal Government. If your estate is worth $100,000 over $675,000, $55,000 of that goes to the Federal Government. That is just wrong.

We just heard, I think, an accurate example, that the average estate pays a 20 percent tax. That is because many estates do not pay any tax at all and many other estates are barely over the exempted amount. If you took that $900,000 estate and figured out they were losing 55 cents on every dollar worth over $675,000, you would get a relatively low rate but you are taking their business and their livelihood.

I do a farm tour every year in my district. Last year we stopped at a farm supply store because we talk to people who own farming businesses. We talk to people in agricultural businesses. I asked the people who ran the farm supply store first of all about the efforts they have made over the years to pass that business on to both of their sons who work in the business with them every day. He is not going to pay an estate tax, but he spent a lot of money to figure out how not to do it with all kinds of insurance and trusts and things like that. He said we have met lots of farmers who never have a problem financially paying their bill until somebody dies and when somebody dies, they have a big problem because they cannot figure out how to keep that asset together and pay that 55 cents on the dollar for everything that is suddenly worth a lot more than they thought it was going to be.

People do not deserve to have everything they paid taxes on all their life taxed when they die. We need to pass this rule. We need to pass this bill.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. I thank the gentleman for yielding me this time.

Mr. Speaker, I oppose H.R. 8, the third installment of President Bush's fiscally questionable tax package. For nearly a month, this body has discussed and voted on bills that provide tax relief to people least in need while ignoring our Nation's serious needs for education, health care, and the environment and, most important, the fiscal prudence, paying down the debt and meeting our existing responsibilities.

Virtually every Member of Congress agrees that the current estate tax needs to be reformed. I have supported increases in exemptions, adjustment for inflation, reduction in rate and protections for closely held family farms and small businesses which are only 9 percent of the total inheritance tax program. I fundamentally believe that reforming the estate tax will allow for more farmland, wood lots and green spaces to be preserved and small business to be protected. Estate tax reform is an essential part of making our communities more livable.

That being said, it is frustrating that despite near unanimity on this issue, my Republican colleagues insist on legislation that provides vast benefits for people who need it the least while stalling on relief for people who need help now, not 10 or 11 years from now but now. The legislation we are debating today costs $662 billion. That is why the repeal does not take place until 2011.

This is an accounting gimmick that puts the full cost of the bill outside the budgeting window, preventing the Joint Committee on Taxation from scoring the true cost of the bill. Despite the overwhelming cost, this bill does not substantially benefit the small business or the family farm for more than a decade. The Democratic alternative provides far more help for those who need it most in the next 10 years and does so now.

Since coming to Washington over 4 years ago, I have worked to make our world a more livable place, improve bipartisan cooperation and maintain our hard-earned fiscal discipline. Unfortunately, H.R. 8 manages to violate all three of those principles. It should be rejected and meaningful reform enacted.

Mr. REYNOLDS. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the distinguished chairman of the Committee on Rules.

Mr. DREIER. Mr. Speaker, I thank my friend for yielding me this time. I want to congratulate him on the great job that he is doing managing this very important rule, this very important component in the tax package which I know has been authored by our friend the gentlewoman from Washington (Ms. DUNN) and others who understand fully that we are all in this together.

I have listened to my friends on the other side of the aisle engage in that classic class warfare argument, us versus them. ''This is from the top down, not from the bottom up. That is the difference between the Republicans and the Democrats.''

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The real difference is, the Republicans believe that if we are going to bring about fairness, we should be fair to everyone. Now, I know that some have quipped that Warren Buffett and Ted Turner and Bill Gates, Sr., are not proponents of this. The fact is, whether they are proponents of this or not has nothing to do with it because there may be a few other people who have been successful in this economy of ours who believe that they should have some fairness.

So we are going to provide Warren Buffett and Bill Gates and Ted Turner relief whether they want it or not, and it is the right thing to do. But it is also very important for us to note, it is very important for us to note that if we look at the impact that this death tax has had on so many small businesses and family farms in this country, it is the right thing to do for people regardless of where they are on the economic spectrum.

African Americans in this country are the group that is hit hardest by the death tax. Seventy-five percent of businesses, small businesses in this country, fail following the death of the owner. So let us make sure that we understand the difference that exists.

The Republicans want very much to make sure that we provide fairness for every single American. We are not going to pick who is a winner and who is a loser. We want to create an opportunity for everyone to succeed; and that is why we should support this rule, defeat the Democratic substitute, which the rule has made in order, because it again engages in the old class warfare argument, and then pass this very important component, which is pro-growth and will help the working men and women of this country.

Mr. MOAKLEY. Mr. Speaker, I yield 4 minutes to the gentleman from New

York (Mr. RANGEL), the ranking member on the Committee on Ways and Means.

Mr. RANGEL. Mr. Speaker, I wanted to take a minute or two to offer a truce to the gentleman from California (Mr. DREIER) on this class warfare and would agree that we could find some meeting of the mind if we could get into the Republican rhetoric some talk about preserving the Social Security system, talking about the Medicare system, talking about prescription drugs, talking about improving education.

We have here a bill offered by the majority that talks about repealing the estate tax 10 years from today. When I asked the Joint Taxation Committee how much would it cost if we took last year's bill and put it into effect immediately, they said $662 billion. So I said there is no way in the world for the Republican leadership to maintain the ceiling of $1.6 trillion that the President has put on the bill. If they have already spent $953 billion for the marginal rate changes, another $400 billion for child credits and for removing the marriage penalty, there is $200 billion left. How are they going to get this $662 billion foot into this $200 billion shoe? And they did it; they really did it. They did it by saying if one wants to protect their estate, do not die for 10 years.

What we are saying is that the Republican bill might make some sense if that was the only thing we had before us, but we have an alternative that everybody that can read the bill would know that it makes more sense to get instant relief from the Democratic bill for more people and right away.

It excludes $4 million estates starting with 2002 and that moves up to $5 million estates at the end of 10 years. The Republican plan would cost us $60 billion a year.

It is not class warfare to say how is that money going to be made up; how do we know that the surplus is going to be there; how are we going to protect the entitlement programs that one may not like but they are on the books. We have to protect those people who are going to become eligible in 10 years.

In 10 years, the $1.6 billion tax cut goes into effect. The $60 billion that we lose a year on the estate repeal goes into effect. Eighty million people will be eligible for Social Security and Medicare, and this is the time that we expect to get a $5.6 trillion surplus because the CBO says that might happen. They say that 90 percent of the time it might not happen.

So let us not say that this is class warfare. I do not have that many people running around my district with $5 million estates; but wherever they are, I would want them protected. I would not want farms lost and small businesses lost because we are taxing the estate. That is why we exclude them instead of opening some of these farms to even more of a tax exposure when we find that the appreciation in some of the property under the Republican plan is taken into consideration with the taxes that they are going to have, and that is the taxes they are going to have and will continue to have until 10 years passes.

So, Mr. Speaker, I am suggesting this: forget the class warfare and see what makes common sense in terms of 99.04 percent of the United States. Only 2 percent have any liability at all, and we take care of 75 percent of those people, and I ask them to consider the Democrat alternative.

Mr. REYNOLDS. Mr. Speaker, I yield 2 minutes to the gentlewoman from Washington (Ms. DUNN), the sponsor of this legislation.

Ms. DUNN. Mr. Speaker, I thank the gentleman from New York (Mr. REYNOLDS) for yielding me this time.

Mr. Speaker, I think it is very good that the Democrats want to be bipartisan on this, and I expect in our final legislation we will see that. My great friend and colleague, the gentleman from New York (Mr. RANGEL), has talked about the death tax and why he believes a repeal is not the way to go.

Let me just respond that I think it is very important to be very truthful on what we are dealing with. In the bill that the ranking member discussed, he said that repealing the death tax today would cost $660 billion. That is accurate, but that is not the bill we are talking about. The bill we are talking about today is H.R. 8. The reason we phased it in is because we want to make it easier to accept the loss in revenue over a period of 10 years.

Obviously, at $200 billion over 10 years we are not repealing the tax as rapidly as the gentleman from New York (Mr. RANGEL) has suggested. I mean, if we were and we were doing it today, it would be a lot more expensive because each year some of that revenue is lost that is coming in. That is not the bill we are talking about.

The bill we are talking about today is a phase-out of the death tax over 10 years. It will eventually repeal the death tax. Repeal is where we want to go because we all know that if we leave any portion of this tax intact and we are not on the train toward repeal, this tax will grow back. This tax began in 1916, the fourth time in our Nation's history.

At that time, if one were calculating in today's dollars, the exemption amount that the gentleman from New York (Mr. RANGEL) is putting at $2 million in his bill, his substitute today, the exemption in 1916 is worth $9 million in today's dollars. So I think his bill is a very lethargic way to go at eliminating this burden, and certainly his description of his other bill does not reflect what we are considering today.

Mr. MOAKLEY. Mr. Speaker, I yield 2½ minutes to the gentleman from Wisconsin (Mr. KIND).

(Mr. KIND asked and was given permission to revise and extend his remarks.)

Mr. KIND. Mr. Speaker, I thank my friend, the gentleman from Massachusetts (Mr. MOAKLEY), for yielding me this time.

Mr. Speaker, I rise today in strong support for estate tax relief. The estate tax should be modified to protect family-owned small businesses and family farms from the threat of having to be sold just to pay the tax. It should also be updated to reflect the economic growth many Americans experienced in recent years, but any reform of the estate tax should be fair and fiscally responsible, taking into consideration the impending baby boom generation early next decade and their retirement and not based on highly speculative budget surpluses 11 years from now.

Mr. Speaker, H.R. 8, however, is a weather forecast. I do not believe, it is a fair or fiscally responsible way to go. It is asking the American people to plan their picnics 10 years from now because the economic skies are going to be clear, sunny and bright. Yet in order to pay for it, it is based on projected budget surpluses that may or may not be there 8, 9, 10 years from now.

It has been said that God created economists in order to make weather forecasters look good, and if any family would bet their economic prosperity on surpluses or what will be happening 8, 9 years from now, I would like to meet them. The other thing that it does not take into consideration is something that we do know today, and that is the majority of the surpluses over the next 10 years are coming out of the Social Security and Medicare trust funds. But no one is talking about the second decade, when the baby boom generation starts to retire.

What this graph illustrates is what happens in that second decade. Over the next 10 years, we are running some surpluses in the Social Security and Medicare trust funds, but in the second 10 years we have unfunded liabilities that are going to come due; and by backloading these tax cuts as we are doing with the estate tax, which will not be fully repealed for 10 more years, as we did with the marriage penalty relief, as we did with marginal tax rate relief, we are setting up the next generation of leadership in this body, and we are setting up our children for failure, because they will not be able to have the fiscal resources in order to deal with an aging population and their retirement in the next decade.

The point is this: we could afford as a Nation in 1981 to take the chance with large tax cuts that led to annual structural deficits because back then we only had a trillion dollars worth of debt instead of $5.7 trillion today, and we also back then were not faced with a crisis with the aging population and the impending retirement of baby boomers in the second decade. I am afraid if we embark upon this course of action today with the overall tax plan in this body, we are setting up the next generation of leadership for failure and taking a huge gamble with our children's future by making it impossible

for them to deal with the fiscal realities that we know today we have to contend with tomorrow.

Mr. Speaker, H.R. 8 would fully repeal the estate tax and that I believe is simply unaffordable given the need for debt reduction and all of the competing tax relief and investment priorities that exist and the uncertain surpluses available to pay for them. It is fiscally irresponsible and is so back-loaded that its full repeal cost would not show up until after 2011. It reduces the rates on the largest estates first, while providing no tax relief to the smaller estates, so that estates of less than $2.5 million get no relief until 2004. And once the estate tax is fully repealed, more than half of the benefits would go to the largest 5 percent of estates.

Furthermore, H.R. 8 would cost $192 billion over 10 years. Combined with the first two tax cuts passed by the House this bill raises the total tax cut to $1.55 trillion over 10 years. And including debt service costs, the total budget cost is nearly $2 trillion.

I am concerned, however, that the alternative offered by Representative RANGEL does not go far enough. The alternative would increase the current exclusion to $4 million per couple as of January 1, 2002 and gradually increase the exclusion to reach $5 million at a lower cost of $40 billion over 10 years. While I strongly support the increased exemption effective immediately, I believe that we must go further and lower the estate tax rates, which the alternative bill does not address. This would restore fairness to this area of the tax code in a fiscally responsible manner and it would ensure that those who are most affected by the estate tax are given immediate relief and do not have to wait for a phase-in of benefits that is lengthy and complicated.

While, I am in favor of addressing negative effects of the estate tax, as evidenced by my past votes, I believe that we should also concentrate on using the emerging budget surplus to address our existing obligations, such as investing in education and defense, providing a prescription drug benefit for seniors, shoring up Social Security and Medicare, and paying down the $5.7 trillion national debt.

In January, Federal Reserve Chairman Greenspan testified before the Senate Budget Committee and confirmed that the rosy budget projections are ''subject to a wide range of error.'' He also noted that when considering the emerging budget surplus, ''debt reduction is the best use for the added revenue.'' Nonetheless, the administration and House leadership are still pushing large tax cuts above debt reduction.

Mr. Speaker, reform of the estate tax is a bipartisan issue. My colleagues on both sides of the aisle recognize that the estate tax needs to be reformed and updated. H.R. 8, unfortunately, is not the result of bipartisanship. It is my sincere hope that we will be able to reach a compromise in the conference report that will better address estate tax reform by increasing the exemption to at least $5 million and decreasing the estate tax rates.

Mr. REYNOLDS. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. KELLER).

Mr. KELLER. Mr. Speaker, I thank the gentleman from New York (Mr. REYNOLDS) for yielding me this time.

Mr. Speaker, I rise today in strong support of this important legislation to completely repeal the death tax once and for all. The death tax is itself the leading cause of death for over one-third of small family-owned businesses. Similarly, heart attacks are the leading cause of death among individuals.

It would not surprise me at all if there are some small business owners back in my hometown of Orlando who have almost had heart attacks when they found out that they would have to pay a death tax of 55 percent in order to keep the family business alive.

This is an unfair tax because the money has already been taxed once on the income level. Let me just give one example of the devastating impact the death tax would have on one of my constituents back in Central Florida. Mr. Bruce O'Donohue is the owner of a small family-owned business called Control Specialists in Winter Park, Florida. His company sells and installs traffic lights, and he happens to employ 25 people in his small company.

The company has been in the O'Donohue family for 35 years. If by some unfortunate and tragic accident Mr. O'Donohue and his lovely wife were taken away from us today, his business would collapse under the tax load that he estimates to be nearly half of the business' worth, and Control Specialists would have no choice but to lay off all of its two dozen employees.

It is important for my House colleagues to realize that the death tax does not just affect small business owners. It impacts the families that are employed by small business owners as well.

Now, those who say they like the death tax say that it is needed to bring in money to the Federal Treasury. The truth of the matter is that the Federal Government spends more money to administer the death tax than it brings in.

Repealing the death tax will bring some fairness and common sense into the system and will create an additional 200,000 extra jobs per year, according to the Wall Street Journal. I urge my colleagues to vote yes to completely repeal the death tax once and for all.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. MOAKLEY) for yielding me this time.

Mr. Speaker, this is truly one of the most bizarre debates that we have had here in the House. We are at a time of economic slow down, an economic slow down that began about the time that President Bush began talking down our economy, and so Republicans tell us they want to stimulate the economy. Well, they have about the same chance of reviving the economy with this bill as they do reviving the dead.

□ 1130

This bill is not designed to stimulate the economy; it is designed to stimulate the financial statements of America's billionaires.

Then they parade out the horribles of all the people across America that are subject to the estate tax—all 2 percent of them—the family farms being shut down, the small businesses unable to continue. We Democrats come forward and say, let us get together now to resolve that problem. Let us proceed 8 months from now, in January, to repeal the estate tax for 77 percent of the small number of people that are even subject to the estate tax in this country. Let us eliminate it for small businesses and family farms and eliminate it promptly.

The Republicans say, no, we do not want to do that. We want to ''repeal'' the death tax, and in order to repeal the death tax for the billionaires, we must impose upon and hold hostage every one of these small businesses and family farms that we are so concerned about, we will hold them hostage and make them subject to tax for the next 10 years. We will continue to assess them a 53 percent tax next year and still a 39 percent tax in the year 2010. Republicans are continuing to impose that tax and refusing to exempt one family farm, refusing to save one family business for the next decade here in America, because they are so committed to reducing taxes for the billionaires of this country.

Mr. Speaker, this bill does not have to do with the millions, it has to do with the billions, and the billionaires. They talk about class warfare, they are winning the class warfare. They are saying to the small businesses, to the family farms across this country, we will not do anything about your estate taxes and repeal them all for you next January, as Democrats are ready and eager to do. We are so intent on protecting the billionaires in this society, and we do not care if it wrecks the budget, we do not care if it jeopardizes Social Security and Medicare, we do not care if it undermines our ability to assure educational opportunity for young people in this country; we do not even care if it means imposing the so-called death tax on small businesses and family farms for the next decade, because we will not actually repeal it for anyone until the year 2011. And even though you Democrats, even according to today's Wall Street Journal, offer small businesses and family farms a better way, a better, speedier form of estate tax relief than Republicans, we have to do it the Republican way or no way to assure full benefit and protection for the billionaires. And that is wrong, and that is why the Democratic substitute must be adopted.

Mr. REYNOLDS. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. KERNS).

(Mr. KERNS asked and was given permission to revise and extend his remarks.)

Mr. KERNS. Mr. Speaker, I rise in support of the repeal of one of the most unfair taxes in our country. This tax is

known throughout the State of Indiana as the ''death tax.''

I am fortunate to represent Indiana's Seventh Congressional District, and I am pleased to be a cosponsor of this important piece of legislation that will help farmers and business owners throughout Indiana and across the United States.

Currently the Internal Revenue Service can impose high rates on the value of Hoosier family businesses or farms when the owner dies. In order to pay these unfair tax bills, Indiana families are forced to sell their property that has been in families for generations.

The death tax is a form of double taxation. A farmer or small business owner pays taxes throughout his lifetime and is assessed another tax on the value of his property upon his or her death. This is wrong.

Studies indicate a very high likelihood that family businesses do not survive a second generation and have an even smaller chance to make it through a third generation. Now is the time to reverse this trend.

Mr. Speaker, I came to Congress with the intent of working for family-friendly legislation. I believe this bill is a step in the right direction and will help families achieve the American dream. I join the cosponsors in urging my colleagues to support this important piece of legislation.

I can tell my colleagues that back in my district in a little town of Clinton, Indiana, there was an Irish-American family that came to this country and built a business, the Randici family. The entire family has worked their entire life to build that business, and they are not rich, but they have an infrastructure they have built. If we do not repeal this unfair tax, their family will pay the consequences and suffer the consequences.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. KLECZKA).

Mr. KLECZKA. Mr. Speaker, remember the old song, the rich get richer and the poor get poorer? Well, we are about to take a giant step to make that a truism today. People come to the floor today and will say that it is time to eliminate this tax. I ask them, why? It is part of our progressive tax system. Those who are worth the most and make the most pay a little more than the rest of us.

The fact remains that the Republicans have manipulated this issue to the point where not only do they change the name of the tax, for there is no death tax, it is an estate tax, but they have also convinced every American that they are going to pay it, and that's false. The fact is 2 percent of the wealthiest Americans ever are subjected to the estate tax. In the State of Wisconsin, in 1998, there were 45,000 deaths, 45,000 deaths. Of all of those estates, 828 paid a tax. If, in fact, our proposal to raise the exemption to $5 million would pass in the State of Wisconsin, only 51 estates would pay this tax.

Mr. Speaker, I agree with Bill Gates, Sr. He says, do not do this. There is a reason for this tax. And the reason, and I quote him from Senate testimony when he said, ''Without the estate tax,'' Gates told the Senators, ''there would be an aristocracy of wealth that has nothing to do with merit.'' He argued that ''paying the tax is the price of being a U.S. citizen.''

What do we do with the money? We help people like the students that were just in the gallery get to college with Pell grants. But we are told this year we do not have enough money, we cannot provide a sizable increase. We are told for the seniors we cannot afford a drug benefit, but we can spend in this bill today $200 billion for the wealthiest of the wealthy people in this country.

Wealthy people have come forward to us and said, do not do this. This is sheer nonsense. This is not for the working men and women in my district in Milwaukee; this is for the Republican contributors, and it is payback time today, my friends, payback time.

Mr. REYNOLDS. Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, may I inquire of the gentleman from New York (Mr. REYNOLDS), my good friend, how many speakers he has remaining?

Mr. REYNOLDS. Mr. Speaker, I think the minority debate might prompt how many speakers would remain. At this point we could close if the gentleman from Massachusetts is prepared to close.

Mr. MOAKLEY. Mr. Speaker, I yield the balance of my time to the gentleman from Missouri (Mr. GEPHARDT), our Democratic leader.

(Mr. GEPHARDT asked and was given permission to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, I rise to ask Members to vote against this estate tax bill, and I ask Members to vote for the Democratic alternative that will be sponsored by the gentleman from New York.

I firmly believe that we should cut estate taxes for family farms, for small businesses, and for very wealthy individuals. I think we have the only bill that achieves this goal in a sensible and responsible and evenhanded way. Our bill eliminates taxes for individuals with estates worth more than $2 million, and couples worth more than $4 million. We exempt 99 percent of all farms. As the Wall Street Journal reported today, we give more relief, relief to estates valued at less than $10 million through the year 2008. I quote from the article: ''An estate tax plan by Democrats offers speedier relief than the Republican proposal.''

The Republican bill does not repeal the estate tax for another 10 years and hides the true cost of this tax cut. It is a gimmick. This is not an honest tax cut. It is an attempt to white out the cost and keep the numbers down so they can continue to argue that their tax cut is reasonable when the exact opposite is true.

This bill creates loopholes that people will use to evade income taxes. It is tilted to the top 374 estates in America, and it is so unreasonable, given the other needs in our country and our budget, that many Americans who stand to make the most from the Republican bill do not even support it. The best off in our society have formed a coalition against this Republican proposal. Bill Gates, Sr., Warren Buffett, George Soros and many others have said, do not give us this big tax cut. We do not want a huge windfall. We can afford to pay a reasonable estate tax. We recognize that America is a community, and people who have profited the most, in their view, have a responsibility to give something back.

This is a message of fiscal responsibility, discipline, moderation, and we support it. Today we hit the $2 trillion mark. In less than 3 months, the House of Representatives has passed $2 trillion in tax cuts, including interest. It is so much money, it makes one's head spin. It busts the budget. It gobbles up the available surplus, raids Medicare and Social Security, crowds out all kinds of other priorities.

We will not be able to make the necessary investment in education if we want to give all of our children a first-rate, excellent public education, if we really want to leave no child behind. We will not have the resources to hire more teachers, build more classrooms, create more preschool and after-school programs. We will not have an affordable Medicare prescription drug program. We will not be able to extend the solvency of Medicare and Social Security so it will be there 9 years from now when the baby boomers start coming to ask legitimately for their benefits that they have been paying taxes for years to support.

Now, let me finally say that when we add up these three, we are at $2 trillion. I am told there are more coming, and we are going to get to $3 trillion. I will say one more time for anybody that will listen that what we are doing here is something we did in 1981, and it took us 15 years to correct the problem.

At the time, in the early 1980s, there was a book written by a man by the name of David Stockman called The Triumph of Politics. He was the OMB Director for Ronald Reagan. He served in this body. And the gist of this book is that the mistakes that were made in the early 1980s were very hard to correct and caused immeasurable economic difficulty in this country.

I read from the end of his conclusion in this book at page 394. He is arguing at the end of the book for a tax increase to solve the fiscal problems that we faced. He said, ''In a way, the big tax increase we need will confirm the triumph of politics. But in a democracy, politicians must have the last word once it is clear their course is consistent with the preferences of the electorate.'' He said, ''The abortive Reagan revolution proved that the

American electorate wants a moderate social democracy to shield it from capitalism's rougher edges. Recognition of this in the Oval Office,'' he said, ''is all that stands between a tolerable economic future and one fraught with unprecedented perils.''

I quote David Stockman to this House of Representatives. If we do not learn from history, we are forced to repeat it. This is a mistake that we will pay for for years to come. One can break the tax cut into parts, but one cannot break its effect on the overall deficit and the overall economic policy of this country. We should not make this mistake. We made it before. We do not need to do it again.

We talk about responsibility. We need every citizen in this country to be responsible. But if we expect the people of this country to be responsible, we as the leaders of this country need to be responsible.

Mr. Speaker, enacting this tax cut, along with all the others, is totally irresponsible and should not stand. I beg Members to vote against this proposal and vote for the Democratic proposal, which is responsible, is fair, and is consistent with a low deficit, fiscally responsible policy for this country.

□ 1145

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. GOSS), the distinguished vice-chairman of the Committee on Rules.

(Mr. GOSS asked and was given permission to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, I thank my colleague for yielding time to me.

Mr. Speaker, I wanted to bring us back to the reality of the vote that is immediately before us, which I presume will be a vote on the rule. I would like to urge support for the rule. I think the Committee on Rules has crafted a very fair and good rule for a matter of this type.

As we did with the budget process, as I recall, we had three Democratic substitutes. In this case, we have two bites at the apple for the Democrats, their substitute and the motion to recommit, so I do not think anybody can say that this is not an extremely fair rule.

I would urge Members' support for the rule, in case there is any confusion about that.

As for the substance of the bill and so forth, I think that the gentleman from Missouri made a very good statement about responsibility. I think that every American craves responsibility to make our country better and look out for our fellow citizens. I think that is an individual responsibility.

I certainly welcome that Mr. Soros and Mr. Buffett and Mr. Gates have the capability and the desire to look out for their citizens and others in the community as their responsibility, not as a mandate from the Federal government.

Mr. REYNOLDS. Mr. Speaker, I yield myself such time as I may consume.

As we now have the rule shortly for a vote, I rarely make a prediction of what this House will do, but I see bipartisan support for the rule, and hope we would achieve that. We see some minority members talk about no repeal, some talk about repealing with their plan, and some cosponsors of H.R. 8 as it comes before us.

This rule is fair, and the underlying legislation as it comes out for further debate today will allow an opportunity for America to judge that. It is no longer a debate of whether there will or will not be a death tax passed out of here and likely signed into law by the President, but how much and how it plays out, based on versions.

That is an important step, because America watched Democratic control with 40 years of big spending, big government. Maybe Mr. Stockman, as quoted by the minority leader, might have spent too much time in the majority-driven Congress of big spending, versus the amount of time seeing the result from 1981 to the year 2000, where we are going to pay down that debt, where we are going to invest in America's future, and we can still give money back to the American people in their pockets, rather than having a big government spender, whether it comes out of Congress or out of the White House, that would drive up spending and taxes for the American people.

This plan is part of the overall plan that puts money back in America's pockets and takes the number one issue of NFIB and the American Farm Bureau and puts it to rest, where it is buried once and for all, and that is elimination of the tax bill.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOAKLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 8 of rule XX, this 15-minute vote on House Resolution 111 will be followed by a 5-minute vote on H.R. 642.

The vote was taken by electronic device, and there were—yeas 413, nays 12, not voting 6, as follows:

[Roll No. 80]

YEAS—413

Abercrombie
Ackerman
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Flake
Fletcher
Foley
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
LaTourette
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard

Royce
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Traficant
Turner
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Wynn
Young (AK)
Young (FL)

NAYS—12

Baird
DeFazio
Filner
Hilliard
Kleczka
Lee
McKinney
Nadler
Owens
Thompson (MS)
Udall (CO)
Wu

NOT VOTING—6

Becerra
Kennedy (RI)
Kirk
Latham
Rush
Woolsey

□ 1208

Mr. STRICKLAND and Ms. SCHAKOWSKY changed their vote from ''nay'' to ''yea.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CHESAPEAKE BAY OFFICE OF NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION AUTHORIZATION

The SPEAKER pro tempore (Mr. SUNUNU). The unfinished business is the question of suspending the rules and passing the bill, H.R. 642, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Maryland (Mr. GILCHREST) that the House suspend the rules and pass the bill, H.R. 642, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 406, nays 13, not voting 12, as follows:

[Roll No. 81]

YEAS—406

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Bonilla
Bonior
Bono
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Fletcher
Foley
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
LaTourette
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schakowsky
Schiff
Schrock
Scott
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spence
Spratt
Stark
Stenholm
Strickland
Stump
Stupak
Sununu
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Wu
Wynn
Young (AK)
Young (FL)

NAYS—13

Akin
Coble
English
Flake
Jones (NC)
Paul
Royce
Scarborough
Schaffer
Sensenbrenner
Stearns
Tancredo
Toomey

NOT VOTING—12

Armey
Becerra
Boehner
Borski
Cannon
Davis (CA)
Kennedy (RI)
Latham
Leach
Rush
Sweeney
Woolsey

□ 1221

Mr. HILLIARD changed his vote from ''nay'' to ''yea.''

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. KIRK. Mr. Speaker, on rollcall No. 81, I voted ''yea.'' The voting machine recorded the vote but I was later informed that it was not recorded. I was present and I voted ''yea.''

DEATH TAX ELIMINATION ACT OF 2001

Mr. THOMAS. Mr. Speaker, pursuant to House Resolution 111, I call up the bill (H.R. 8) to amend the Internal Revenue Code of 1986 to phase out the estate and gift taxes over a 10-year period, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. LINDER). Pursuant to House Resolution 111, the bill is considered read for amendment.

The text of H.R. 8 is as follows:

H.R. 8

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 ''Death Tax Elimination Act''.

TITLE I—REPEAL OF ESTATE, GIFT, AND GENERATION-SKIPPING TAXES.

SEC. 101. PHASEOUT OF ESTATE AND GIFT TAXES.

(a) REPEAL OF ESTATE AND GIFT TAXES.—Subtitle B of the Internal Revenue Code of 1986 (relating to estate and gift taxes) is repealed effective with respect to estates of decedents dying, and gifts made, after December 31, 2010.

(b) PHASEOUT OF TAX.—Subsection (c) of section 2001 of such Code (relating to imposition and rate of tax) is amended by adding at the end the following new paragraph:

''(3) PHASEOUT OF TAX.—In the case of estates of decedents dying, and gifts made, during any calendar year after 2000 and before 2011—

''(A) IN GENERAL.—The tentative tax under this subsection shall be determined by using a table prescribed by the Secretary (in lieu of using the table contained in paragraph (1)) which is the same as such table; except that—

''(i) each of the rates of tax shall be reduced (but not below zero) by the number of percentage points determined under subparagraph (B), and

''(ii) the amounts setting forth the tax shall be adjusted to the extent necessary to reflect the adjustments under clause (i).

''(B) PERCENTAGE POINTS OF REDUCTION.—

''For calendar year:	The number of percentage points is:
2001	5
2002	10
2003	15
2004	20
2005	25
2006	30
2007	35
2008	40
2009	45
2010	50.

''(C) COORDINATION WITH PARAGRAPH (2).—Paragraph (2) shall be applied by reducing the 55 percent percentage contained therein by the number of percentage points determined for such calendar year under subparagraph (B).

''(D) COORDINATION WITH CREDIT FOR STATE DEATH TAXES.—Rules similar to the rules of subparagraph (A) shall apply to the table contained in section 2011(b) except that the number of percentage points referred to in subparagraph (A)(i) shall be determined under the following table:

''For calendar year:	The number of percentage points is:
2001	1½
2002	3
2003	4½
2004	6
2005	7½
2006	9
2007	10½
2008	12
2009	13½
2010	15.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2000.

TITLE II—INCREASE IN UNIFIED ESTATE AND GIFT TAX CREDIT

SEC. 201. INCREASE IN UNIFIED ESTATE AND GIFT TAX CREDIT.

(a) IN GENERAL.—The table in subsection (c) of section 2010 of the Internal Revenue Code of 1986 (relating to applicable credit amount) is amended to read as follows:

''In the case of estates of decedents dying, and gifts made, during:	The applicable exclusion amount is:
2001 or thereafter	$1,300,000

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2000.

SEC. 202. REPEAL OF ESTATE TAX BENEFIT FOR FAMILY-OWNED BUSINESS INTERESTS.

(a) IN GENERAL.—Section 2057 of the Internal Revenue Code of 1986 (relating to family-owned business interests) is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (10) of section 2031(c) of such Code is amended by inserting ''(as in effect on the day before the date of the enactment of the Death Tax Elimination Act)'' before the period.

(2) The table of sections for part IV of subchapter A of chapter 11 of such Code is amended by striking the item relating to section 2057.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2000.

TITLE III—MODIFICATIONS OF GENERATION-SKIPPING TRANSFER TAX

SEC. 301. DEEMED ALLOCATION OF GST EXEMPTION TO LIFETIME TRANSFERS TO TRUSTS; RETROACTIVE ALLOCATIONS.

(a) IN GENERAL.—Section 2632 of the Internal Revenue Code of 1986 (relating to special rules for allocation of GST exemption) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following new subsections:

''(c) DEEMED ALLOCATION TO CERTAIN LIFETIME TRANSFERS TO GST TRUSTS.—

''(1) IN GENERAL.—If any individual makes an indirect skip during such individual's lifetime, any unused portion of such individual's GST exemption shall be allocated to the property transferred to the extent necessary to make the inclusion ratio for such property zero. If the amount of the indirect skip exceeds such unused portion, the entire unused portion shall be allocated to the property transferred.

''(2) UNUSED PORTION.—For purposes of paragraph (1), the unused portion of an individual's GST exemption is that portion of such exemption which has not previously been—

''(A) allocated by such individual,

''(B) treated as allocated under subsection (b) with respect to a direct skip occurring during or before the calendar year in which the indirect skip is made, or

''(C) treated as allocated under paragraph (1) with respect to a prior indirect skip.

''(3) DEFINITIONS.—

''(A) INDIRECT SKIP.—For purposes of this subsection, the term 'indirect skip' means any transfer of property (other than a direct skip) subject to the tax imposed by chapter 12 made to a GST trust.

''(B) GST TRUST.—The term 'GST trust' means a trust that could have a generation-skipping transfer with respect to the transferor unless—

''(i) the trust instrument provides that more than 25 percent of the trust corpus must be distributed to or may be withdrawn by one or more individuals who are non-skip persons—

''(I) before the date that the individual attains age 46,

''(II) on or before one or more dates specified in the trust instrument that will occur before the date that such individual attains age 46, or

''(III) upon the occurrence of an event that, in accordance with regulations prescribed by the Secretary, may reasonably be expected to occur before the date that such individual attains age 46;

''(ii) the trust instrument provides that more than 25 percent of the trust corpus must be distributed to or may be withdrawn by one or more individuals who are non-skip persons and who are living on the date of death of another person identified in the instrument (by name or by class) who is more than 10 years older than such individuals;

''(iii) the trust instrument provides that, if one or more individuals who are non-skip persons die on or before a date or event described in clause (i) or (ii), more than 25 percent of the trust corpus either must be distributed to the estate or estates of one or more of such individuals or is subject to a general power of appointment exercisable by one or more of such individuals;

''(iv) the trust is a trust any portion of which would be included in the gross estate of a non-skip person (other than the transferor) if such person died immediately after the transfer;

''(v) the trust is a charitable lead annuity trust (within the meaning of section 2642(e)(3)(A)) or a charitable remainder annuity trust or a charitable remainder unitrust (within the meaning of section 664(d)); or

''(vi) the trust is a trust with respect to which a deduction was allowed under section 2522 for the amount of an interest in the form of the right to receive annual payments of a fixed percentage of the net fair market value of the trust property (determined yearly) and which is required to pay principal to a non-skip person if such person is alive when the yearly payments for which the deduction was allowed terminate.

For purposes of this subparagraph, the value of transferred property shall not be considered to be includible in the gross estate of a non-skip person or subject to a right of withdrawal by reason of such person holding a right to withdraw so much of such property as does not exceed the amount referred to in section 2503(b) with respect to any transferor, and it shall be assumed that powers of appointment held by non-skip persons will not be exercised.

''(4) AUTOMATIC ALLOCATIONS TO CERTAIN GST TRUSTS.—For purposes of this subsection, an indirect skip to which section 2642(f) applies shall be deemed to have been made only at the close of the estate tax inclusion period. The fair market value of such transfer shall be the fair market value of the trust property at the close of the estate tax inclusion period.

''(5) APPLICABILITY AND EFFECT.—

''(A) IN GENERAL.—An individual—

''(i) may elect to have this subsection not apply to—

''(I) an indirect skip, or

''(II) any or all transfers made by such individual to a particular trust, and

''(ii) may elect to treat any trust as a GST trust for purposes of this subsection with respect to any or all transfers made by such individual to such trust.

''(B) ELECTIONS.—

''(i) ELECTIONS WITH RESPECT TO INDIRECT SKIPS.—An election under subparagraph (A)(i)(I) shall be deemed to be timely if filed on a timely filed gift tax return for the calendar year in which the transfer was made or deemed to have been made pursuant to paragraph (4) or on such later date or dates as may be prescribed by the Secretary.

''(ii) OTHER ELECTIONS.—An election under clause (i)(II) or (ii) of subparagraph (A) may be made on a timely filed gift tax return for the calendar year for which the election is to become effective.

''(d) RETROACTIVE ALLOCATIONS.—

''(1) IN GENERAL.—If—

''(A) a non-skip person has an interest or a future interest in a trust to which any transfer has been made,

''(B) such person—

''(i) is a lineal descendant of a grandparent of the transferor or of a grandparent of the transferor's spouse or former spouse, and

''(ii) is assigned to a generation below the generation assignment of the transferor, and

''(C) such person predeceases the transferor,

then the transferor may make an allocation of any of such transferor's unused GST exemption to any previous transfer or transfers to the trust on a chronological basis.

''(2) SPECIAL RULES.—If the allocation under paragraph (1) by the transferor is made on a gift tax return filed on or before the date prescribed by section 6075(b) for gifts made within the calendar year within which the non-skip person's death occurred—

''(A) the value of such transfer or transfers for purposes of section 2642(a) shall be determined as if such allocation had been made on a timely filed gift tax return for each calendar year within which each transfer was made,

''(B) such allocation shall be effective immediately before such death, and

''(C) the amount of the transferor's unused GST exemption available to be allocated shall be determined immediately before such death.

''(3) FUTURE INTEREST.—For purposes of this subsection, a person has a future interest in a trust if the trust may permit income or corpus to be paid to such person on a date or dates in the future.''.

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 2632(b) of such Code is amended by striking ''with respect to a direct skip'' and inserting ''or subsection (c)(1)''.

(c) EFFECTIVE DATES.—

(1) DEEMED ALLOCATION.—Section 2632(c) of the Internal Revenue Code of 1986 (as added by subsection (a)), and the amendment made by subsection (b), shall apply to transfers subject to chapter 11 or 12 made after December 31, 1999, and to estate tax inclusion periods ending after December 31, 1999.

(2) RETROACTIVE ALLOCATIONS.—Section 2632(d) of the Internal Revenue Code of 1986 (as added by subsection (a)) shall apply to deaths of non-skip persons occurring after December 31, 1999.

SEC. 302. SEVERING OF TRUSTS.

(a) IN GENERAL.—Subsection (a) of section 2642 of the Internal Revenue Code of 1986 (relating to inclusion ratio) is amended by adding at the end the following new paragraph:

''(3) SEVERING OF TRUSTS.—

''(A) IN GENERAL.—If a trust is severed in a qualified severance, the trusts resulting from such severance shall be treated as separate trusts thereafter for purposes of this chapter.

''(B) QUALIFIED SEVERANCE.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—The term 'qualified severance' means the division of a single trust and the creation (by any means available under the governing instrument or under local law) of two or more trusts if—

''(I) the single trust was divided on a fractional basis, and

''(II) the terms of the new trusts, in the aggregate, provide for the same succession of interests of beneficiaries as are provided in the original trust.

''(ii) TRUSTS WITH INCLUSION RATIO GREATER THAN ZERO.—If a trust has an inclusion ratio of greater than zero and less than 1, a severance is a qualified severance only if the single trust is divided into two trusts, one of which receives a fractional share of the total value of all trust assets equal to the applicable fraction of the single trust immediately before the severance. In such case, the trust receiving such fractional share shall have an inclusion ratio of zero and the other trust shall have an inclusion ratio of 1.

''(iii) REGULATIONS.—The term 'qualified severance' includes any other severance permitted under regulations prescribed by the Secretary.

''(C) TIMING AND MANNER OF SEVERANCES.—A severance pursuant to this paragraph may be made at any time. The Secretary shall prescribe by forms or regulations the manner in which the qualified severance shall be reported to the Secretary.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to severances after December 31, 1999.

SEC. 303. MODIFICATION OF CERTAIN VALUATION RULES.

(a) GIFTS FOR WHICH GIFT TAX RETURN FILED OR DEEMED ALLOCATION MADE.—Paragraph (1) of section 2642(b) of such Code (relating to valuation rules, etc.) is amended to read as follows:

''(1) GIFTS FOR WHICH GIFT TAX RETURN FILED OR DEEMED ALLOCATION MADE.—If the allocation of the GST exemption to any transfers of property is made on a gift tax return filed on or before the date prescribed by section 6075(b) for such transfer or is deemed to be made under section 2632 (b)(1) or (c)(1)—

''(A) the value of such property for purposes of subsection (a) shall be its value as finally determined for purposes of chapter 12 (within the meaning of section 2001(f)(2)), or, in the case of an allocation deemed to have been made at the close of an estate tax inclusion period, its value at the time of the close of the estate tax inclusion period, and

''(B) such allocation shall be effective on and after the date of such transfer, or, in the case of an allocation deemed to have been made at the close of an estate tax inclusion period, on and after the close of such estate tax inclusion period.''.

(b) TRANSFERS AT DEATH.—Subparagraph (A) of section 2642(b)(2) of such Code is amended to read as follows:

''(A) TRANSFERS AT DEATH.—If property is transferred as a result of the death of the transferor, the value of such property for purposes of subsection (a) shall be its value as finally determined for purposes of chapter 11; except that, if the requirements prescribed by the Secretary respecting allocation of post-death changes in value are not met, the value of such property shall be determined as of the time of the distribution concerned.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers subject to chapter 11 or 12 of the Internal Revenue Code of 1986 made after December 31, 1999.

SEC. 304. RELIEF PROVISIONS.

(a) IN GENERAL.—Section 2642 of such Code is amended by adding at the end the following new subsection:

''(g) RELIEF PROVISIONS.—

''(1) RELIEF FROM LATE ELECTIONS.—

''(A) IN GENERAL.—The Secretary shall by regulation prescribe such circumstances and procedures under which extensions of time will be granted to make—

''(i) an allocation of GST exemption described in paragraph (1) or (2) of subsection (b), and

''(ii) an election under subsection (b)(3) or (c)(5) of section 2632.

Such regulations shall include procedures for requesting comparable relief with respect to transfers made before the date of the enactment of this paragraph.

''(B) BASIS FOR DETERMINATIONS.—In determining whether to grant relief under this paragraph, the Secretary shall take into account all relevant circumstances, including evidence of intent contained in the trust instrument or instrument of transfer and such other factors as the Secretary deems relevant. For purposes of determining whether to grant relief under this paragraph, the time for making the allocation (or election) shall be treated as if not expressly prescribed by statute.

''(2) SUBSTANTIAL COMPLIANCE.—An allocation of GST exemption under section 2632 that demonstrates an intent to have the lowest possible inclusion ratio with respect to a transfer or a trust shall be deemed to be an allocation of so much of the transferor's unused GST exemption as produces the lowest possible inclusion ratio. In determining whether there has been substantial compliance, all relevant circumstances shall be taken into account, including evidence of intent contained in the trust instrument or instrument of transfer and such other factors as the Secretary deems relevant.''.

(b) EFFECTIVE DATES.—

(1) RELIEF FROM LATE ELECTIONS.—Section 2642(g)(1) of the Internal Revenue Code of 1986 (as added by subsection (a)) shall apply to requests pending on, or filed after, December 31, 1999.

(2) SUBSTANTIAL COMPLIANCE.—Section 2642(g)(2) of such Code (as so added) shall apply to transfers subject to chapter 11 or 12 of the Internal Revenue Code of 1986 made after December 31, 1999. No implication is intended with respect to the availability of relief from late elections or the application of a rule of substantial compliance on or before such date.

TITLE IV—EXTENSION OF TIME FOR PAYMENT OF ESTATE TAX

SEC. 401. INCREASE IN NUMBER OF ALLOWABLE PARTNERS AND SHAREHOLDERS IN CLOSELY HELD BUSINESSES.

(a) IN GENERAL.—Paragraphs (1)(B)(ii), (1)(C)(ii), and (9)(B)(iii)(I) of section 6166(b) of the Internal Revenue Code of 1986 (relating to definitions and special rules) are each amended by striking ''15'' and inserting ''75''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2000.

The SPEAKER pro tempore. The amendment printed in the bill is adopted.

The text of H.R. 8, as amended, is as follows:

H.R. 8

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

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Death Tax Elimination Act of 2001''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; etc.

TITLE I—REPEAL OF ESTATE, GIFT, AND GENERATION-SKIPPING TAXES

Sec. 101. Repeal of estate, gift, and generation-skipping taxes.

TITLE II—REDUCTIONS OF ESTATE AND GIFT TAX RATES PRIOR TO REPEAL

Sec. 201. Additional reductions of estate and gift tax rates.

TITLE III—UNIFIED CREDIT REPLACED WITH UNIFIED EXEMPTION AMOUNT

Sec. 301. Unified credit against estate and gift taxes replaced with unified exemption amount.

TITLE IV—CARRYOVER BASIS AT DEATH; OTHER CHANGES TAKING EFFECT WITH REPEAL

Sec. 401. Termination of step-up in basis at death.

Sec. 402. Treatment of property acquired from a decedent dying after December 31, 2010.

TITLE V—CONSERVATION EASEMENTS

Sec. 501. Expansion of estate tax rule for conservation easements.

TITLE VI—MODIFICATIONS OF GENERATION-SKIPPING TRANSFER TAX

Sec. 601. Deemed allocation of GST exemption to lifetime transfers to trusts; retroactive allocations.

Sec. 602. Severing of trusts.

Sec. 603. Modification of certain valuation rules.

Sec. 604. Relief provisions.

TITLE VII—EXTENSION OF TIME FOR PAYMENT OF ESTATE TAX

Sec. 701. Increase in number of allowable partners and shareholders in closely held businesses.

TITLE I—REPEAL OF ESTATE, GIFT, AND GENERATION-SKIPPING TAXES

SEC. 101. REPEAL OF ESTATE, GIFT, AND GENERATION-SKIPPING TAXES.

(a) IN GENERAL.—Subtitle B is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to the estates of decedents dying, and gifts and generation-skipping transfers made, after December 31, 2010.

TITLE II—REDUCTIONS OF ESTATE AND GIFT TAX RATES PRIOR TO REPEAL

SEC. 201. ADDITIONAL REDUCTIONS OF ESTATE AND GIFT TAX RATES.

(a) MAXIMUM RATE OF TAX REDUCED TO 50 PERCENT.—

(1) IN GENERAL.—The table contained in section 2001(c)(1) is amended by striking the two highest brackets and inserting the following:

''Over $2,500,000 ..... $1,025,800, plus 50% of the excess over $2,500,000.''.

(2) PHASE-IN OF REDUCED RATE.—Subsection (c) of section 2001 is amended by adding at the end the following new paragraph:

''(3) PHASE-IN OF REDUCED RATE.—In the case of decedents dying, and gifts made, during 2002, the last item in the table contained in paragraph (1) shall be applied by substituting '53%' for '50%'.''.

(b) REPEAL OF PHASEOUT OF GRADUATED RATES.—Subsection (c) of section 2001 is amended by striking paragraph (2) and redesignating paragraph (3), as added by subsection (a), as paragraph (2).

(c) ADDITIONAL REDUCTIONS OF RATES OF TAX.—Subsection (c) of section 2001, as so amended, is amended by adding at the end the following new paragraph:

''(3) PHASEDOWN OF TAX.—In the case of estates of decedents dying, and gifts made, during any calendar year after 2003 and before 2011—

''(A) IN GENERAL.—Except as provided in subparagraph (C), the tentative tax under this subsection shall be determined by using a table prescribed by the Secretary (in lieu of using the table contained in paragraph (1)) which is the same as such table; except that—

''(i) each of the rates of tax shall be reduced by the number of percentage points determined under subparagraph (B), and

''(ii) the amounts setting forth the tax shall be adjusted to the extent necessary to reflect the adjustments under clause (i).

''(B) PERCENTAGE POINTS OF REDUCTION.—

"For calendar year:	The number of percentage points is:
2004	1.0
2005	2.0
2006	3.0
2007	5.0
2008	7.0
2009	9.0
2010	11.0.

''(C) COORDINATION WITH INCOME TAX RATES.—The reductions under subparagraph (A)—

''(i) shall not reduce any rate under paragraph (1) below the lowest rate in section 1(c) applicable to the taxable year which includes the date of death (or, in the case of a gift, the date of the gift), and

''(ii) shall not reduce the highest rate under paragraph (1) below the highest rate in section 1(c) for such taxable year.

''(D) COORDINATION WITH CREDIT FOR STATE DEATH TAXES.—Rules similar to the rules of subparagraph (A) shall apply to the table contained in section 2011(b) except that the Secretary shall prescribe percentage point reductions which maintain the proportionate relationship (as in effect before any reduction under this paragraph) between the credit under section 2011 and the tax rates under subsection (c).''.

(d) EFFECTIVE DATES.—

(1) SUBSECTIONS (a) AND (b).—The amendments made by subsections (a) and (b) shall apply to estates of decedents dying, and gifts made, after December 31, 2001.

(2) SUBSECTION (c).—The amendment made by subsection (c) shall apply to estates of decedents dying, and gifts made, after December 31, 2003.

TITLE III—UNIFIED CREDIT REPLACED WITH UNIFIED EXEMPTION AMOUNT

SEC. 301. UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES REPLACED WITH UNIFIED EXEMPTION AMOUNT.

(a) IN GENERAL.—

(1) ESTATE TAX.—Subsection (b) of section 2001 (relating to computation of tax) is amended to read as follows:

''(b) COMPUTATION OF TAX.—

''(1) IN GENERAL.—The tax imposed by this section shall be the amount equal to the excess (if any) of—

''(A) the tentative tax determined under paragraph (2), over

''(B) the aggregate amount of tax which would have been payable under chapter 12 with respect to gifts made by the decedent after December 31, 1976, if the provisions of subsection (c) (as in effect at the decedent's death) had been applicable at the time of such gifts.

''(2) TENTATIVE TAX.—For purposes of paragraph (1), the tentative tax determined under this paragraph is a tax computed under subsection (c) on the excess of—

''(A) the sum of—

''(i) the amount of the taxable estate, and

''(ii) the amount of the adjusted taxable gifts, over

''(B) the exemption amount for the calendar year in which the decedent died.

''(3) EXEMPTION AMOUNT.—For purposes of paragraph (2), the term 'exemption amount' means the amount determined in accordance with the following table:

"In the case of calendar year:	The exemption amount is:
2002 and 2003	$700,000
2004	$850,000
2005	$950,000
2006 or thereafter	$1,000,000.

''(4) ADJUSTED TAXABLE GIFTS.—For purposes of paragraph (2), the term 'adjusted taxable gifts' means the total amount of the taxable gifts (within the meaning of section 2503) made by the decedent after December 31, 1976, other than gifts which are includible in the gross estate of the decedent.''.

(2) GIFT TAX.—Subsection (a) of section 2502 (relating to computation of tax) is amended to read as follows:

''(a) COMPUTATION OF TAX.—

''(1) IN GENERAL.—The tax imposed by section 2501 for each calendar year shall be the amount equal to the excess (if any) of—

''(A) the tentative tax determined under paragraph (2) for such calendar year, over

''(B) the aggregate amount of tax that would have been payable under this chapter with respect to gifts made by the donor in preceding calendar periods if the tax had been computed under the provisions of section 2001(c) as in effect for such calendar year.

''(2) TENTATIVE TAX.—For purposes of paragraph (1), the tentative tax determined under this paragraph for a calendar year is a tax computed under section 2001(c) on the excess of—

''(A) the aggregate sum of the taxable gifts for such calendar year and for each of the preceding calendar periods, over

''(B) the exemption amount under section 2001(b)(3) for such calendar year.''.

(b) REPEAL OF UNIFIED CREDITS.—

(1) Section 2010 (relating to unified credit against estate tax) is hereby repealed.

(2) Section 2505 (relating to unified credit against gift tax) is hereby repealed.

(c) CONFORMING AMENDMENTS.—

(1)(A) Subsection (b) of section 2011 is amended—

(i) by striking ''adjusted'' in the table; and

(ii) by striking the last sentence.

(B) Subsection (f) of section 2011 is amended by striking '', reduced by the amount of the unified credit provided by section 2010''.

(2) Subsection (a) of section 2012 is amended by striking ''and the unified credit provided by section 2010''.

(3) Subparagraph (A) of section 2013(c)(1) is amended by striking ''2010,''.

(4) Paragraph (2) of section 2014(b) is amended by striking ''2010, 2011,'' and inserting ''2011''.

(5) Clause (ii) of section 2056A(b)(12)(C) is amended to read as follows:

''(ii) to treat any reduction in the tax imposed by paragraph (1)(A) by reason of the credit allowable under section 2010 (as in effect on the day before the date of the enactment of the Death Tax Elimination Act of 2001) or the exemption amount allowable under section 2001(b) with respect to the decedent as a credit under section 2505 (as so in effect) or exemption under section 2501 (as the case may be) allowable to such surviving spouse for purposes of determining the amount of the exemption allowable under section 2501 with respect to taxable gifts made by the surviving spouse during the year in which the spouse becomes a citizen or any subsequent year,''.

(6) Subsection (a) of section 2057 is amended by striking paragraphs (2) and (3) and inserting the following new paragraph:

''(2) MAXIMUM DEDUCTION.—The deduction allowed by this section shall not exceed the excess of $1,300,000 over the exemption amount (as defined in section 2001(b)(3)).''.

(7) Subsection (b) of section 2101 is amended to read as follows:

''(b) COMPUTATION OF TAX.—

''(1) IN GENERAL.—The tax imposed by this section shall be the amount equal to the excess (if any) of—

''(A) the tentative tax determined under paragraph (2), over

''(B) a tentative tax computed under section 2001(c) on the amount of the adjusted taxable gifts.

''(2) TENTATIVE TAX.—For purposes of paragraph (1), the tentative tax determined under this paragraph is a tax computed under section 2001(c) on the excess of—

''(A) the sum of—

''(i) the amount of the taxable estate, and

''(ii) the amount of the adjusted taxable gifts, over

''(B) the exemption amount for the calendar year in which the decedent died.

''(3) EXEMPTION AMOUNT.—

''(A) IN GENERAL.—The term 'exemption amount' means $60,000.

''(B) RESIDENTS OF POSSESSIONS OF THE UNITED STATES.—In the case of a decedent who is considered to be a nonresident not a citizen of the United States under section 2209, the exemption amount under this paragraph shall be the greater of—

''(i) $60,000, or

''(ii) that proportion of $175,000 which the value of that part of the decedent's gross estate which at the time of his death is situated in the United States bears to the value of his entire gross estate wherever situated.

''(C) SPECIAL RULES.—

''(i) COORDINATION WITH TREATIES.—To the extent required under any treaty obligation of

the United States, the exemption amount allowed under this paragraph shall be equal to the amount which bears the same ratio to the exemption amount under section 2001(b)(3) (for the calendar year in which the decedent died) as the value of the part of the decedent's gross estate which at the time of his death is situated in the United States bears to the value of his entire gross estate wherever situated. For purposes of the preceding sentence, property shall not be treated as situated in the United States if such property is exempt from the tax imposed by this subchapter under any treaty obligation of the United States.

''(ii) COORDINATION WITH GIFT TAX EXEMPTION AND UNIFIED CREDIT.—If an exemption has been allowed under section 2501 (or a credit has been allowed under section 2505 as in effect on the day before the date of the enactment of the Death Tax Elimination Act of 2001) with respect to any gift made by the decedent, each dollar amount contained in subparagraph (A) or (B) or the exemption amount applicable under clause (i) of this subparagraph (whichever applies) shall be reduced by the exemption so allowed under section 2501 (or, in the case of such a credit, by the amount of the gift for which the credit was so allowed).''.

(8) Section 2102 is amended by striking subsection (c).

(9)(A) Paragraph (1) of section 2107(a) is amended by striking ''the table contained in''.

(B) Paragraph (1) of section 2107(c) is amended to read as follows:

''(1) EXEMPTION AMOUNT.—For purposes of subsection (a), the exemption amount under section 2001 shall be $60,000.''

(C) Paragraph (3) of section 2107(c) is amended by striking the second sentence.

(D) The heading of subsection (c) of section 2107 is amended to read as follows:

''(c) EXEMPTION AMOUNT AND CREDITS.—''.

(10) Paragraph (1) of section 6018(a) is amended by striking ''the applicable exclusion amount in effect under section 2010(c)'' and inserting ''the exemption amount under section 2001(b)(3)''.

(11) Subparagraph (A) of section 6601(j)(2) is amended to read as follows:

''(A) the amount of the tentative tax which would be determined under the rate schedule set forth in section 2001(c) if the amount with respect to which such tentative tax is to be computed were $1,000,000, or''.

(12) The table of sections for part II of subchapter A of chapter 11 is amended by striking the item relating to section 2010.

(13) The table of sections for subchapter A of chapter 12 is amended by striking the item relating to section 2505.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying and gifts made after December 31, 2001.

TITLE IV—CARRYOVER BASIS AT DEATH; OTHER CHANGES TAKING EFFECT WITH REPEAL

SEC. 401. TERMINATION OF STEP-UP IN BASIS AT DEATH.

Section 1014 (relating to basis of property acquired from a decedent) is amended by adding at the end the following new subsection:

''(f) TERMINATION.—This section shall not apply with respect to decedents dying after December 31, 2010.''.

SEC. 402. TREATMENT OF PROPERTY ACQUIRED FROM A DECEDENT DYING AFTER DECEMBER 31, 2010.

(a) GENERAL RULE.—Part II of subchapter O of chapter 1 (relating to basis rules of general application) is amended by inserting after section 1021 the following new section:

''SEC. 1022. TREATMENT OF PROPERTY ACQUIRED FROM A DECEDENT DYING AFTER DECEMBER 31, 2010.

''(a) IN GENERAL.—Except as otherwise provided in this section—

''(1) property acquired from a decedent dying after December 31, 2010, shall be treated for purposes of this subtitle as transferred by gift, and

''(2) the basis of the person acquiring property from such a decedent shall be the lesser of—

''(A) the adjusted basis of the decedent, or

''(B) the fair market value of the property at the date of the decedent's death.

''(b) BASIS INCREASE FOR CERTAIN PROPERTY.—

''(1) IN GENERAL.—In the case of property to which this subsection applies, the basis of such property under subsection (a) shall be increased by its basis increase under this subsection.

''(2) BASIS INCREASE.—For purposes of this subsection—

''(A) IN GENERAL.—The basis increase under this subsection for any property is the portion of the aggregate basis increase which is allocated to the property pursuant to this section.

''(B) AGGREGATE BASIS INCREASE.—In the case of any estate, the aggregate basis increase under this subsection is $1,300,000.

''(C) LIMIT INCREASED BY UNUSED BUILT-IN LOSSES AND LOSS CARRYOVERS.—The limitation under subparagraph (B) shall be increased by—

''(i) the sum of the amount of any capital loss carryover under section 1212(b), and the amount of any net operating loss carryover under section 172, which would (but for the decedent's death) be carried from the decedent's last taxable year to a later taxable year of the decedent, plus

''(ii) the sum of the amount of any losses that would have been allowable under section 165 if the property acquired from the decedent had been sold at fair market value immediately before the decedent's death.

''(3) DECEDENT NONRESIDENTS WHO ARE NOT CITIZENS OF THE UNITED STATES.—In the case of a decedent nonresident not a citizen of the United States—

''(A) paragraph (2)(B) shall be applied by substituting '$60,000' for '$1,300,000', and

''(B) paragraph (2)(C) shall not apply.

''(c) ADDITIONAL BASIS INCREASE FOR PROPERTY ACQUIRED BY SURVIVING SPOUSE.—

''(1) IN GENERAL.—In the case of property to which this subsection applies and which is qualified spousal property, the basis of such property under subsection (a) (as increased, if any, under subsection (b)) shall be increased by its spousal property basis increase.

''(2) SPOUSAL PROPERTY BASIS INCREASE.—For purposes of this subsection—

''(A) IN GENERAL.—The spousal property basis increase for property referred to in paragraph (1) is the portion of the aggregate spousal property basis increase which is allocated to the property pursuant to this section.

''(B) AGGREGATE SPOUSAL PROPERTY BASIS INCREASE.—In the case of any estate, the aggregate spousal property basis increase is $3,000,000.

''(3) QUALIFIED SPOUSAL PROPERTY.—For purposes of this subsection, the term 'qualified spousal property' means—

''(A) outright transfer property, and

''(B) qualified terminable interest property.

''(4) OUTRIGHT TRANSFER PROPERTY.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'outright transfer property' means any interest in property acquired from the decedent by the decedent's surviving spouse.

''(B) EXCEPTION.—Subparagraph (A) shall not apply where, on the lapse of time, on the occurrence of an event or contingency, or on the failure of an event or contingency to occur, an interest passing to the surviving spouse will terminate or fail—

''(i)(I) if an interest in such property passes or has passed (for less than an adequate and full consideration in money or money's worth) from the decedent to any person other than such surviving spouse (or the estate of such spouse), and

''(II) if by reason of such passing such person (or his heirs or assigns) may possess or enjoy any part of such property after such termination or failure of the interest so passing to the surviving spouse, or

''(ii) if such interest is to be acquired for the surviving spouse, pursuant to directions of the decedent, by his executor or by the trustee of a trust.

For purposes of this subparagraph, an interest shall not be considered as an interest which will terminate or fail merely because it is the ownership of a bond, note, or similar contractual obligation, the discharge of which would not have the effect of an annuity for life or for a term.

''(C) INTEREST OF SPOUSE CONDITIONAL ON SURVIVAL FOR LIMITED PERIOD.—For purposes of this paragraph, an interest passing to the surviving spouse shall not be considered as an interest which will terminate or fail on the death of such spouse if—

''(i) such death will cause a termination or failure of such interest only if it occurs within a period not exceeding 6 months after the decedent's death, or only if it occurs as a result of a common disaster resulting in the death of the decedent and the surviving spouse, or only if it occurs in the case of either such event; and

''(ii) such termination or failure does not in fact occur.

''(5) QUALIFIED TERMINABLE INTEREST PROPERTY.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified terminable interest property' means property—

''(i) which passes from the decedent, and

''(ii) in which the surviving spouse has a qualifying income interest for life.

''(B) QUALIFYING INCOME INTEREST FOR LIFE.—The surviving spouse has a qualifying income interest for life if—

''(i) the surviving spouse is entitled to all the income from the property, payable annually or at more frequent intervals, or has a usufruct interest for life in the property, and

''(ii) no person has a power to appoint any part of the property to any person other than the surviving spouse.

Clause (ii) shall not apply to a power exercisable only at or after the death of the surviving spouse. To the extent provided in regulations, an annuity shall be treated in a manner similar to an income interest in property (regardless of whether the property from which the annuity is payable can be separately identified).

''(C) PROPERTY INCLUDES INTEREST THEREIN.—The term 'property' includes an interest in property.

''(D) SPECIFIC PORTION TREATED AS SEPARATE PROPERTY.—A specific portion of property shall be treated as separate property. For purposes of the preceding sentence, the term 'specific portion' only includes a portion determined on a fractional or percentage basis.

''(d) DEFINITIONS AND SPECIAL RULES FOR APPLICATION OF SUBSECTIONS (b) AND (c).—

''(1) PROPERTY TO WHICH SUBSECTIONS (b) AND (c) APPLY.—

''(A) IN GENERAL.—The basis of property acquired from a decedent may be increased under subsection (b) or (c) only if the property was owned by the decedent at the time of death.

''(B) RULES RELATING TO OWNERSHIP.—

''(i) JOINTLY HELD PROPERTY.—In the case of property which was owned by the decedent and another person as joint tenants with right of survivorship or tenants by the entirety—

''(I) if the only such other person is the surviving spouse, the decedent shall be treated as the owner of only 50 percent of the property,

''(II) in any case (to which subclause (I) does not apply) in which the decedent furnished consideration for the acquisition of the property, the decedent shall be treated as the owner to the extent of the portion of the property which is proportionate to such consideration, and

''(III) in any case (to which subclause (I) does not apply) in which the property has been acquired by gift, bequest, devise, or inheritance by the decedent and any other person as joint tenants with right of survivorship and their interests are not otherwise specified or fixed by law,

the decedent shall be treated as the owner to the extent of the value of a fractional part to be determined by dividing the value of the property by the number of joint tenants with right of survivorship.

''(ii) REVOCABLE TRUSTS.—The decedent shall be treated as owning property transferred by the decedent during life to a revocable trust to pay all of the income during the decedent's life to the decedent or at the direction of the decedent.

''(iii) POWERS OF APPOINTMENT.—The decedent shall not be treated as owning any property by reason of holding a power of appointment with respect to such property.

''(iv) COMMUNITY PROPERTY.—Property which represents the surviving spouse's one-half share of community property held by the decedent and the surviving spouse under the community property laws of any State or possession of the United States or any foreign country shall be treated for purposes of this section as owned by, and acquired from, the decedent if at least one-half of the whole of the community interest in such property is treated as owned by, and acquired from, the decedent without regard to this clause.

''(C) PROPERTY ACQUIRED BY DECEDENT BY GIFT WITHIN 3 YEARS OF DEATH.—

''(i) IN GENERAL.—Subsections (b) and (c) shall not apply to property acquired by the decedent by gift or by inter vivos transfer for less than adequate and full consideration in money or money's worth during the 3-year period ending on the date of the decedent's death.

''(ii) EXCEPTION FOR CERTAIN GIFTS FROM SPOUSE.—Clause (i) shall not apply to property acquired by the decedent from the decedent's spouse unless, during such 3-year period, such spouse acquired the property in whole or in part by gift or by inter vivos transfer for less than adequate and full consideration in money or money's worth.

''(D) STOCK OF CERTAIN ENTITIES.—Subsections (b) and (c) shall not apply to—

''(i) stock or securities a foreign personal holding company,

''(ii) stock of a DISC or former DISC,

''(iii) stock of a foreign investment company, or

''(iv) stock of a passive foreign investment company unless such company is a qualified electing fund (as defined in section 1295) with respect to the decedent.

''(2) FAIR MARKET VALUE LIMITATION.—The adjustments under subsection (b) and (c) shall not increase the basis of any interest in property acquired from the decedent above its fair market value in the hands of the decedent as of the date of the decedent's death.

''(3) ALLOCATION RULES.—

''(A) IN GENERAL.—The executor shall allocate the adjustments under subsections (b) and (c) on the return required by section 6018.

''(B) CHANGES IN ALLOCATION.—Any allocation made pursuant to subparagraph (A) may be changed only as provided by the Secretary.

''(4) INFLATION ADJUSTMENT OF BASIS ADJUSTMENT AMOUNTS.—

''(A) IN GENERAL.—In the case of decedents dying in a calendar year after 2011, the $1,300,000, $60,000, and $3,000,000 dollar amounts in subsections (b) and (c)(2)(B) shall each be increased by an amount equal to the product of—

''(i) such dollar amount, and

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting '2010' for '1992' in subparagraph (B) thereof.

''(B) ROUNDING.—If any increase determined under subparagraph (A) is not a multiple of—

''(i) $100,000 in the case of the $1,300,000 amount,

''(ii) $5,000 in the case of the $60,000 amount, and

''(iii) $250,000 in the case of the $3,000,000 amount,

such increase shall be rounded to the next lowest multiple thereof.

''(e) PROPERTY ACQUIRED FROM THE DECEDENT.—For purposes of this section, the following property shall be considered to have been acquired from the decedent:

''(1) Property acquired by bequest, devise, or inheritance, or by the decedent's estate from the decedent.

''(2) Property transferred by the decedent during his lifetime in trust to pay the income for life to or on the order or direction of the decedent, with the right reserved to the decedent at all times before his death—

''(A) to revoke the trust, or

''(B) to make any change in the enjoyment thereof through the exercise of a power to alter, amend, or terminate the trust.

''(3) Any other property passing from the decedent by reason of death to the extent that such property passed without consideration.

''(f) COORDINATION WITH SECTION 691.—This section shall not apply to property which constitutes a right to receive an item of income in respect of a decedent under section 691.

''(g) CERTAIN LIABILITIES DISREGARDED.—In determining whether gain is recognized on the acquisition of property—

''(1) from a decedent by a decedent's estate or any beneficiary, and

''(2) from the decedent's estate by any beneficiary,

and in determining the adjusted basis of such property, liabilities in excess of basis shall be disregarded.

''(h) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.''.

(b) INFORMATION RETURNS, ETC.—

(1) IN GENERAL.—Subpart C of part II of subchapter A of chapter 61 is amended to read as follows:

''Subpart C—Returns Relating to Transfers During Life or at Death

''Sec. 6018. Returns relating to large transfers at death.

''Sec. 6019. Returns relating to large lifetime gifts.

''SEC. 6018. RETURNS RELATING TO LARGE TRANSFERS AT DEATH.

''(a) IN GENERAL.—If this section applies to property acquired from a decedent, the executor of the estate of such decedent shall make a return containing the information specified in subsection (c) with respect to such property.

''(b) PROPERTY TO WHICH SECTION APPLIES.—

''(1) LARGE TRANSFERS.—This section shall apply to all property (other than cash) acquired from a decedent if the fair market value of such property acquired from the decedent exceeds the dollar amount applicable under section 1022(b)(2)(B) (without regard to section 1022(b)(2)(C)).

''(2) TRANSFERS OF CERTAIN GIFTS RECEIVED BY DECEDENT WITHIN 3 YEARS OF DEATH.—This section shall apply to any appreciated property acquired from the decedent if—

''(A) subsections (b) and (c) of section 1022 do not apply to such property by reason of section 1022(d)(1)(C), and

''(B) such property was required to be included on a return required to be filed under section 6019.

''(3) NONRESIDENTS NOT CITIZENS OF THE UNITED STATES.—In the case of a decedent who is a nonresident not a citizen of the United States, paragraphs (1) and (2) shall be applied—

''(A) by taking into account only—

''(i) tangible property situated in the United States, and

''(ii) other property acquired from the decedent by a United States person, and

''(B) by substituting the dollar amount applicable under section 1022(b)(3) for the dollar amount referred to in paragraph (1).

''(4) RETURNS BY TRUSTEES OR BENEFICIARIES.—If the executor is unable to make a complete return as to any property acquired from or passing from the decedent, the executor shall include in the return a description of such property and the name of every person holding a legal or beneficial interest therein. Upon notice from the Secretary such person shall in like manner make a return as to such property.

''(c) INFORMATION REQUIRED TO BE FURNISHED.—The information specified in this subsection with respect to any property acquired from the decedent is—

''(1) the name and TIN of the recipient of such property,

''(2) an accurate description of such property,

''(3) the adjusted basis of such property in the hands of the decedent and its fair market value at the time of death,

''(4) the decedent's holding period for such property,

''(5) sufficient information to determine whether any gain on the sale of the property would be treated as ordinary income,

''(6) the amount of basis increase allocated to the property under subsection (b) or (c) of section 1022, and

''(7) such other information as the Secretary may by regulations prescribe.

''(d) PROPERTY ACQUIRED FROM DECEDENT.—For purposes of this section, section 1022 shall apply for purposes of determining the property acquired from a decedent.

''(e) STATEMENTS TO BE FURNISHED TO CERTAIN PERSONS.—Every person required to make a return under subsection (a) shall furnish to each person whose name is required to be set forth in such return (other than the person required to make such return) a written statement showing—

''(1) the name, address, and phone number of the person required to make such return, and

''(2) the information specified in subsection (c) with respect to property acquired from, or passing from, the decedent to the person required to receive such statement.

The written statement required under the preceding sentence shall be furnished not later than 30 days after the date that the return required by subsection (a) is filed.

''SEC. 6019. RETURNS RELATING TO LARGE LIFETIME GIFTS.

''(a) IN GENERAL.—If the value of the aggregate gifts of property made by an individual to any United States person during a calendar year exceeds $25,000, such individual shall make a return for such year setting forth—

''(1) the name and TIN of the donee,

''(2) an accurate description of such property,

''(3) the adjusted basis of such property in the hands of the donor at the time of the gift,

''(4) the donor's holding period for such property,

''(5) sufficient information to determine whether any gain on the sale of the property would be treated as ordinary income, and

''(6) such other information as the Secretary may by regulations prescribe.

''(b) EXCEPTIONS.—Subsection (a) shall not apply to—

''(1) CASH.—Any gift of cash.

''(2) GIFTS TO CHARITY.—Any gift to an organization described in section 501(c) and exempt from tax under section 501(a) but only if no interest in the property is held for the benefit of any person other than such an organization.

''(3) WAIVER OF CERTAIN PENSION RIGHTS individual waives, before the death of a participant, any survivor benefit, or right to such benefit, under section 401(a)(11) or 417, subsection (a) shall not apply to such waiver.

''(4) REPORTING ELSEWHERE.—Any gift required to be reported to the Secretary under any other provision of this title.

''(c) STATEMENTS TO BE FURNISHED TO CERTAIN PERSONS.—Every person required to make a return under subsection (a) shall furnish to each person whose name is required to be set forth in such return a written statement showing—

''(1) the name, address, and phone number of the person required to make such return, and

''(2) the information specified in subsection (a) with respect to property received by the person required to receive such statement.

The written statement required under the preceding sentence shall be furnished on or before January 31 of the year following the calendar year for which the return under subsection (a) was required to be made.''

(2) TIME FOR FILING SECTION 6018 RETURNS.—

(A) RETURNS RELATING TO LARGE TRANSFERS AT DEATH.—Subsection (a) of section 6075 is amended to read as follows:

''(a) RETURNS RELATING TO LARGE TRANSFERS AT DEATH.—The return required by section 6018 with respect to a decedent shall be filed with the return of the tax imposed by chapter 1 for the decedent's last taxable year or such later date specified in regulations prescribed by the Secretary.''

(B) RETURNS RELATING TO LARGE LIFETIME GIFTS.—

(i) The heading for section 6075(b) is amended to read as follows:

''(b) RETURNS RELATING TO LARGE LIFETIME GIFTS.—''.

(ii) Paragraph (1) of section 6075(b) is amended by striking ''(relating to gift taxes)'' and inserting ''(relating to returns relating to large lifetime gifts)''.

(iii) Paragraph (3) of section 6075(b) is amended—

(I) by striking ''ESTATE TAX RETURN'' and inserting ''SECTION 6018 RETURN'', and

(II) by striking ''(relating to estate tax returns)'' and inserting ''(relating to returns relating to large transfers at death)''.

(3) PENALTIES.—Part I of subchapter B of chapter 68 (relating to assessable penalties) is amended by adding at the end the following new section:

''SEC. 6716. FAILURE TO FILE INFORMATION WITH RESPECT TO CERTAIN TRANSFERS AT DEATH AND GIFTS.

''(a) INFORMATION REQUIRED TO BE FURNISHED TO THE SECRETARY.—Any person required to furnish any information under section 6018 or 6019 who fails to furnish such information on the date prescribed therefor (determined with regard to any extension of time for filing) shall pay a penalty of $10,000 ($500 in the case of information required to be furnished under section 6018(b)(2) or 6019) for each such failure.

''(b) INFORMATION REQUIRED TO BE FURNISHED TO BENEFICIARIES.—Any person required to furnish in writing to each person described in section 6018(e) or 6019(c) the information required under such section who fails to furnish such information shall pay a penalty of $50 for each such failure.

''(c) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under subsection (a) or (b) with respect to any failure if it is shown that such failure is due to reasonable cause.

''(d) INTENTIONAL DISREGARD.—If any failure under subsection (a) or (b) is due to intentional disregard of the requirements under sections 6018 and 6019, the penalty under such subsection shall be 5 percent of the fair market value (as of the date of death or, in the case of section 6019, the date of the gift) of the property with respect to which the information is required.

''(e) DEFICIENCY PROCEDURES NOT TO APPLY.—Subchapter B of chapter 63 (relating to deficiency procedures for income, estate, gift, and certain excise taxes) shall not apply in respect of the assessment or collection of any penalty imposed by this section.''

(4) CLERICAL AMENDMENTS.—

(A) The table of sections for part I of subchapter B of chapter 68 is amended by adding at the end the following new item:

''Sec. 6716. Failure to file information with respect to certain transfers at death and gifts.''

(B) The item relating to subpart C in the table of subparts for part II of subchapter A of chapter 61 is amended to read as follows:

''Subpart C. Returns relating to transfers during life or at death.''

(c) EXCLUSION OF GAIN ON SALE OF PRINCIPAL RESIDENCE MADE AVAILABLE TO HEIR OF DECEDENT IN CERTAIN CASES.—Subsection (d) of section 121 (relating to exclusion of gain from sale of principal residence) is amended by adding at the end the following new paragraph:

''(9) PROPERTY ACQUIRED FROM A DECEDENT.—The exclusion under this section shall apply to property sold by—

''(A) the estate of a decedent, and

''(B) any individual who acquired such property from the decedent (within the meaning of section 1022),

determined by taking into account the ownership and use by the decedent.''

(d) TRANSFERS OF APPRECIATED CARRYOVER BASIS PROPERTY TO SATISFY PECUNIARY BEQUEST.—

(1) IN GENERAL.—Section 1040 (relating to transfer of certain farm, etc., real property) is amended to read as follows:

''SEC. 1040. USE OF APPRECIATED CARRYOVER BASIS PROPERTY TO SATISFY PECUNIARY BEQUEST.

''(a) IN GENERAL.—If the executor of the estate of any decedent satisfies the right of any person to receive a pecuniary bequest with appreciated property, then gain on such exchange shall be recognized to the estate only to the extent that, on the date of such exchange, the fair market value of such property exceeds such value on the date of death.

''(b) SIMILAR RULE FOR CERTAIN TRUSTS.—To the extent provided in regulations prescribed by the Secretary, a rule similar to the rule provided in subsection (a) shall apply where—

''(1) by reason of the death of the decedent, a person has a right to receive from a trust a specific dollar amount which is the equivalent of a pecuniary bequest, and

''(2) the trustee of a trust satisfies such right with property.

''(c) BASIS OF PROPERTY ACQUIRED IN EXCHANGE DESCRIBED IN SUBSECTION (a) OR (b).—The basis of property acquired in an exchange with respect to which gain realized is not recognized by reason of subsection (a) or (b) shall be the basis of such property immediately before the exchange increased by the amount of the gain recognized to the estate or trust on the exchange.''

(2) The item relating to section 1040 in the table of sections for part III of subchapter O of chapter 1 is amended to read as follows:

''Sec. 1040. Use of appreciated carryover basis property to satisfy pecuniary bequest.''

(e) ANTI-ABUSE RULES.—Section 7701 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

''(n) PURPORTED GIFTS MAY BE DISREGARDED.—For purposes of subtitle A, the Secretary may treat a transfer which purports to be a gift as having never been transferred if, in connection with such transfer—

''(1)(A) the transferor (or any person related to or designated by the transferor or such person) has received anything of value in connection with such transfer from the transferee directly or indirectly, or

''(B) there is an understanding or expectation that the transferor (or such person) will receive anything of value in connection with such transfer from the transferee directly or indirectly, and

''(2) the Secretary determines that such treatment is appropriate to prevent avoidance of tax imposed by subtitle A.''

(f) MISCELLANEOUS AMENDMENTS RELATED TO CARRYOVER BASIS.—

(1) RECOGNITION OF GAIN ON TRANSFERS TO NONRESIDENTS.—

(A) Subsection (a) of section 684 is amended by inserting ''or to a nonresident not a citizen of the United States'' after ''or trust''.

''(B) Subsection (b) of section 684 is amended by striking ''any person'' and inserting ''any United States person''.

(C) The section heading for section 684 is amended by inserting ''**AND NONRESIDENT ALIENS**'' after ''**ESTATES**''.

(D) The item relating to section 684 in the table of sections for subpart F of part I of subchapter J of chapter 1 is amended by inserting ''and nonresident aliens'' after ''estates''.

(2) CAPITAL GAIN TREATMENT FOR INHERITED ART WORK OR SIMILAR PROPERTY.—

(A) IN GENERAL.—Subparagraph (C) of section 1221(a)(3) (defining capital asset) is amended by inserting ''(other than by reason of section 1022)'' after ''is determined''.

(B) COORDINATION WITH SECTION 170.—Paragraph (1) of section 170(e) (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following: ''For purposes of this paragraph, the determination of whether property is a capital asset shall be made without regard to the exception contained in section 1221(a)(3)(C) for basis determined under section 1022.''.

(3) DEFINITION OF EXECUTOR.—Section 7701(a) (relating to definitions) is amended by adding at the end the following:

''(47) EXECUTOR.—The term 'executor' means the executor or administrator of the decedent, or, if there is no executor or administrator appointed, qualified, and acting within the United States, then any person in actual or constructive possession of any property of the decedent.''.

(4) CERTAIN TRUSTS.—Subparagraph (A) of section 4947(a)(2) is amended by inserting ''642(c),'' after ''170(f)(2)(B),''.

(5) OTHER AMENDMENTS.—

(A) Section 1246 is amended by striking subsection (e).

(B) Subsection (e) of section 1291 is amended—

(i) by striking ''(e),'', and

(ii) by striking ''; except that'' and all that follows and inserting a period.

(C) Section 1296 is amended by striking subsection (i).

(6) CLERICAL AMENDMENT.—The table of sections for part II of subchapter O of chapter 1 is amended by inserting after the item relating to section 1021 the following new item:

''Sec. 1022. Treatment of property acquired from a decedent dying after December 31, 2010.''.

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to estates of decedents dying after December 31, 2010.

(2) PURPORTED GIFTS, ETC.—The amendments made by subsections (e) and (f)(1) shall apply to transfers after December 31, 2010.

(3) SECTION 4947.—The amendment made by subsection (f)(4) shall apply to deductions for taxable years beginning after December 31, 2010.

(h) STUDY.—The Secretary of the Treasury or the Secretary's delegate shall conduct a study of—

(1) opportunities for avoidance of the income tax, if any, and

(2) potential increases in income tax revenues, by reason of the enactment of this Act. The study shall be submitted to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate not later than December 31, 2002.

TITLE V—CONSERVATION EASEMENTS

SEC. 501. EXPANSION OF ESTATE TAX RULE FOR CONSERVATION EASEMENTS.

(a) WHERE LAND IS LOCATED.—Clause (i) of section 2031(c)(8)(A) (defining land subject to a conservation easement) is amended—

(1) by striking ''25 miles'' each place it appears and inserting ''50 miles''; and

(2) striking ''10 miles'' and inserting ''25 miles''.

(b) CLARIFICATION OF DATE FOR DETERMINING VALUE OF LAND AND EASEMENT.—Section 2031(c)(2) (defining applicable percentage) is amended by adding at the end the following new sentence: ''The values taken into account under the preceding sentence shall be such values as of the date of the contribution referred to in paragraph (8)(B).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2000.

TITLE VI—MODIFICATIONS OF GENERATION-SKIPPING TRANSFER TAX

SEC. 601. DEEMED ALLOCATION OF GST EXEMPTION TO LIFETIME TRANSFERS TO TRUSTS; RETROACTIVE ALLOCATIONS.

(a) IN GENERAL.—Section 2632 (relating to special rules for allocation of GST exemption) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following new subsections:

''(c) DEEMED ALLOCATION TO CERTAIN LIFETIME TRANSFERS TO GST TRUSTS.—

''(1) IN GENERAL.—If any individual makes an indirect skip during such individual's lifetime, any unused portion of such individual's GST exemption shall be allocated to the property transferred to the extent necessary to make the inclusion ratio for such property zero. If the amount of the indirect skip exceeds such unused portion, the entire unused portion shall be allocated to the property transferred.

''(2) UNUSED PORTION.—For purposes of paragraph (1), the unused portion of an individual's GST exemption is that portion of such exemption which has not previously been—

''(A) allocated by such individual,

''(B) treated as allocated under subsection (b) with respect to a direct skip occurring during or before the calendar year in which the indirect skip is made, or

''(C) treated as allocated under paragraph (1) with respect to a prior indirect skip.

''(3) DEFINITIONS.—

''(A) INDIRECT SKIP.—For purposes of this subsection, the term 'indirect skip' means any transfer of property (other than a direct skip) subject to the tax imposed by chapter 12 made to a GST trust.

''(B) GST TRUST.—The term 'GST trust' means a trust that could have a generation-skipping transfer with respect to the transferor unless—

''(i) the trust instrument provides that more than 25 percent of the trust corpus must be distributed to or may be withdrawn by one or more individuals who are non-skip persons—

''(I) before the date that the individual attains age 46,

''(II) on or before one or more dates specified in the trust instrument that will occur before the date that such individual attains age 46, or

''(III) upon the occurrence of an event that, in accordance with regulations prescribed by the Secretary, may reasonably be expected to occur before the date that such individual attains age 46;

''(ii) the trust instrument provides that more than 25 percent of the trust corpus must be distributed to or may be withdrawn by one or more individuals who are non-skip persons and who are living on the date of death of another person identified in the instrument (by name or by class) who is more than 10 years older than such individuals;

''(iii) the trust instrument provides that, if one or more individuals who are non-skip persons die on or before a date or event described in clause (i) or (ii), more than 25 percent of the trust corpus either must be distributed to the estate or estates of one or more of such individuals or is subject to a general power of appointment exercisable by one or more of such individuals;

''(iv) the trust is a trust any portion of which would be included in the gross estate of a non-skip person (other than the transferor) if such person died immediately after the transfer;

''(v) the trust is a charitable lead annuity trust (within the meaning of section 2642(e)(3)(A)) or a charitable remainder annuity trust or a charitable remainder unitrust (within the meaning of section 664(d)); or

''(vi) the trust is a trust with respect to which a deduction was allowed under section 2522 for the amount of an interest in the form of the right to receive annual payments of a fixed percentage of the net fair market value of the trust property (determined yearly) and which is required to pay principal to a non-skip person if such person is alive when the yearly payments for which the deduction was allowed terminate.

For purposes of this subparagraph, the value of transferred property shall not be considered to be includible in the gross estate of a non-skip person or subject to a right of withdrawal by reason of such person holding a right to withdraw so much of such property as does not exceed the amount referred to in section 2503(b) with respect to any transferor, and it shall be assumed that powers of appointment held by non-skip persons will not be exercised.

''(4) AUTOMATIC ALLOCATIONS TO CERTAIN GST TRUSTS.—For purposes of this subsection, an indirect skip to which section 2642(f) applies shall be deemed to have been made only at the close of the estate tax inclusion period. The fair market value of such transfer shall be the fair market value of the trust property at the close of the estate tax inclusion period.

''(5) APPLICABILITY AND EFFECT.—

''(A) IN GENERAL.—An individual—

''(i) may elect to have this subsection not apply to—

''(I) an indirect skip, or

''(II) any or all transfers made by such individual to a particular trust, and

''(ii) may elect to treat any trust as a GST trust for purposes of this subsection with respect to any or all transfers made by such individual to such trust.

''(B) ELECTIONS.—

''(i) ELECTIONS WITH RESPECT TO INDIRECT SKIPS.—An election under subparagraph (A)(i)(I) shall be deemed to be timely if filed on a timely filed gift tax return for the calendar year in which the transfer was made or deemed to have been made pursuant to paragraph (4) or on such later date or dates as may be prescribed by the Secretary.

''(ii) OTHER ELECTIONS.—An election under clause (i)(II) or (ii) of subparagraph (A) may be made on a timely filed gift tax return for the calendar year for which the election is to become effective.

''(d) RETROACTIVE ALLOCATIONS.—

''(1) IN GENERAL.—If—

''(A) a non-skip person has an interest or a future interest in a trust to which any transfer has been made,

''(B) such person—

''(i) is a lineal descendant of a grandparent of the transferor or of a grandparent of the transferor's spouse or former spouse, and

''(ii) is assigned to a generation below the generation assignment of the transferor, and

''(C) such person predeceases the transferor,

then the transferor may make an allocation of any of such transferor's unused GST exemption to any previous transfer or transfers to the trust on a chronological basis.

''(2) SPECIAL RULES.—If the allocation under paragraph (1) by the transferor is made on a gift tax return filed on or before the date prescribed by section 6075(b) for gifts made within the calendar year within which the non-skip person's death occurred—

''(A) the value of such transfer or transfers for purposes of section 2642(a) shall be determined as if such allocation had been made on a timely filed gift tax return for each calendar year within which each transfer was made,

''(B) such allocation shall be effective immediately before such death, and

''(C) the amount of the transferor's unused GST exemption available to be allocated shall be determined immediately before such death.

''(3) FUTURE INTEREST.—For purposes of this subsection, a person has a future interest in a trust if the trust may permit income or corpus to be paid to such person on a date or dates in the future.''.

(b) CONFORMING AMENDMENT.—Paragraph (2) of section 2632(b) is amended by striking ''with respect to a prior direct skip'' and inserting ''or subsection (c)(1)''.

(c) EFFECTIVE DATES.—

(1) DEEMED ALLOCATION.—Section 2632(c) of the Internal Revenue Code of 1986 (as added by subsection (a)), and the amendment made by subsection (b), shall apply to transfers subject to chapter 11 or 12 made after December 31, 2000, and to estate tax inclusion periods ending after December 31, 2000.

(2) RETROACTIVE ALLOCATIONS.—Section 2632(d) of the Internal Revenue Code of 1986 (as added by subsection (a)) shall apply to deaths of non-skip persons occurring after December 31, 2000.

SEC. 602. SEVERING OF TRUSTS.

(a) IN GENERAL.—Subsection (a) of section 2642 (relating to inclusion ratio) is amended by adding at the end the following new paragraph:

''(3) SEVERING OF TRUSTS.—

''(A) IN GENERAL.—If a trust is severed in a qualified severance, the trusts resulting from such severance shall be treated as separate trusts thereafter for purposes of this chapter.

''(B) QUALIFIED SEVERANCE.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—The term 'qualified severance' means the division of a single trust and the creation (by any means available under the governing instrument or under local law) of two or more trusts if—

''(I) the single trust was divided on a fractional basis, and

''(II) the terms of the new trusts, in the aggregate, provide for the same succession of interests of beneficiaries as are provided in the original trust.

''(ii) TRUSTS WITH INCLUSION RATIO GREATER THAN ZERO.—If a trust has an inclusion ratio of greater than zero and less than 1, a severance is a qualified severance only if the single trust is divided into two trusts, one of which receives a fractional share of the total value of all trust assets equal to the applicable fraction of the single trust immediately before the severance. In such case, the trust receiving such fractional share shall have an inclusion ratio of zero and the other trust shall have an inclusion ratio of 1.

''(iii) REGULATIONS.—The term 'qualified severance' includes any other severance permitted under regulations prescribed by the Secretary.

''(C) TIMING AND MANNER OF SEVERANCES.—A severance pursuant to this paragraph may be made at any time. The Secretary shall prescribe by forms or regulations the manner in which the qualified severance shall be reported to the Secretary.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to severances after December 31, 2000.

SEC. 603. MODIFICATION OF CERTAIN VALUATION RULES.

(a) GIFTS FOR WHICH GIFT TAX RETURN FILED OR DEEMED ALLOCATION MADE.—Paragraph (1) of section 2642(b) (relating to valuation rules, etc.) is amended to read as follows:

''(1) GIFTS FOR WHICH GIFT TAX RETURN FILED OR DEEMED ALLOCATION MADE.—If the allocation of the GST exemption to any transfers of property is made on a gift tax return filed on or before the date prescribed by section 6075(b) for such transfer or is deemed to be made under section 2632 (b)(1) or (c)(1)—

''(A) the value of such property for purposes of subsection (a) shall be its value as finally determined for purposes of chapter 12 (within the meaning of section 2001(f)(2)), or, in the case of an allocation deemed to have been made at the close of an estate tax inclusion period, its value

at the time of the close of the estate tax inclusion period, and

''(B) such allocation shall be effective on and after the date of such transfer, or, in the case of an allocation deemed to have been made at the close of an estate tax inclusion period, on and after the close of such estate tax inclusion period.''.

(b) TRANSFERS AT DEATH.—Subparagraph (A) of section 2642(b)(2) is amended to read as follows:

''(A) TRANSFERS AT DEATH.—If property is transferred as a result of the death of the transferor, the value of such property for purposes of subsection (a) shall be its value as finally determined for purposes of chapter 11; except that, if the requirements prescribed by the Secretary respecting allocation of post-death changes in value are not met, the value of such property shall be determined as of the time of the distribution concerned.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers subject to chapter 11 or 12 of the Internal Revenue Code of 1986 made after December 31, 2000.

SEC. 604. RELIEF PROVISIONS.

(a) IN GENERAL.—Section 2642 is amended by adding at the end the following new subsection:

''(g) RELIEF PROVISIONS.—

''(1) RELIEF FROM LATE ELECTIONS.—

''(A) IN GENERAL.—The Secretary shall by regulation prescribe such circumstances and procedures under which extensions of time will be granted to make—

''(i) an allocation of GST exemption described in paragraph (1) or (2) of subsection (b), and

''(ii) an election under subsection (b)(3) or (c)(5) of section 2632.

Such regulations shall include procedures for requesting comparable relief with respect to transfers made before the date of the enactment of this paragraph.

''(B) BASIS FOR DETERMINATIONS.—In determining whether to grant relief under this paragraph, the Secretary shall take into account all relevant circumstances, including evidence of intent contained in the trust instrument or instrument of transfer and such other factors as the Secretary deems relevant. For purposes of determining whether to grant relief under this paragraph, the time for making the allocation (or election) shall be treated as if not expressly prescribed by statute.

''(2) SUBSTANTIAL COMPLIANCE.—An allocation of GST exemption under section 2632 that demonstrates an intent to have the lowest possible inclusion ratio with respect to a transfer or a trust shall be deemed to be an allocation of so much of the transferor's unused GST exemption as produces the lowest possible inclusion ratio. In determining whether there has been substantial compliance, all relevant circumstances shall be taken into account, including evidence of intent contained in the trust instrument or instrument of transfer and such other factors as the Secretary deems relevant.''.

(b) EFFECTIVE DATES.—

(1) RELIEF FROM LATE ELECTIONS.—Section 2642(g)(1) of the Internal Revenue Code of 1986 (as added by subsection (a)) shall apply to requests pending on, or filed after, December 31, 2000.

(2) SUBSTANTIAL COMPLIANCE.—Section 2642(g)(2) of such Code (as so added) shall apply to transfers subject to chapter 11 or 12 of the Internal Revenue Code of 1986 made after December 31, 2000. No implication is intended with respect to the availability of relief from late elections or the application of a rule of substantial compliance on or before such date.

TITLE VII—EXTENSION OF TIME FOR PAYMENT OF ESTATE TAX

SEC. 701. INCREASE IN NUMBER OF ALLOWABLE PARTNERS AND SHAREHOLDERS IN CLOSELY HELD BUSINESSES.

(a) IN GENERAL.—Paragraphs (1)(B)(ii), (1)(C)(ii), and (9)(B)(iii)(I) of section 6166(b) (relating to definitions and special rules) are each amended by striking ''15'' and inserting ''45''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2001.

The SPEAKER pro tempore. After 1 hour of debate on the bill, as amended, it shall be in order to consider a further amendment printed in House Report 107–39, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered read, and shall be debatable for 60 minutes, equally divided and controlled by the proponent and an opponent.

The gentleman from California (Mr. THOMAS) and the gentleman from New York (Mr. RANGEL) each will control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

(Mr. THOMAS asked and was given permission to revise and extend his remarks.)

Mr. THOMAS. Mr. Speaker, as my colleagues and I get into this discussion of H.R. 8 and the Democratic substitute, we ought not to lose sight of the fundamentals in this debate. H.R. 8 repeals the estate or death tax; and the Democratic substitute does not.

I was interested in the minority leader's discussion under the rule in which he quoted David Stockman, a former Member, Chief of the Office of Management and Budget under President Reagan, in his book Triumph of Politics. I found it interesting because I was in the minority at the time, and the minority leader was in the majority. I was mentioned in Mr. Stockman's book, and so I am very familiar with the context and the times in which that took place. The one point that I think needs to be referenced was the fact that it was a Democratically-controlled House and a Republican Presidency. Mr. Speaker, that is entirely different than the situation that we find here today with a Republican House and a Republican President.

Mr. Speaker, then-Speaker Tip O'Neill ordered his lieutenants, chairman of the Committee on Ways and Means Danny Rostenkowski and others, to win at any cost was the approach to legislating. It was to make sure that you are not second in spending or in tax cuts.

Mr. Speaker, when you have that kind of a climate of win at any cost, it is no wonder that we had an enormous increase in spending and significant tax cuts at the same time. That was the problem from the early 1980s. And the reason I say that historical reference is absolutely useless today is because we have a Republican House and a Republican President.

Contrast the win-at-any-cost strategy of then-Speaker O'Neill to the current strategy under the gentleman from Illinois (Speaker HASTERT), and that is orderly movement of the President's program through the Committee on Ways and Means, that I am privileged to chair, onto the floor and off the floor, at the same time that we just passed the budget, which was prudent in the way in which it allowed discretionary spending to increase at about 4 percent a year.

Mr. Speaker, we are now at the stage of presenting to you a piece of legislation which passed the House with significant bipartisan support last year. The argument will continue to be we cannot do it, it is too much, the future is not clear, do not do it.

Not once did the majority use that argument when they were in the majority, enormously increasing spending and increasing tax cuts, when, in fact, we were in a deficit structure. Now that we are in a surplus, those words ring rather hollow, unless, of course, your argument is defeat at any cost, which apparently appears to be the approach the Democrats are taking today.

What we saw last week on the floor with the marriage penalty reduction and child credit is that it just does not work because, I am pleased to say, most of the Members look at the content of the legislation and make up their minds.

Mr. Speaker, that is the way that decisions ought to be made in the House of Representatives, and I hope that is going to be the case on this piece of legislation. If Members look at the fact that H.R. 8 repeals the estate or death tax, and the Democrat substitute does not, at the end of the day what you will see is a bipartisan vote, a majority bipartisan vote, in favor of H.R. 8.

Mr. Speaker, I ask unanimous consent that the gentlewoman from Washington (Ms. DUNN) control the balance of my time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, if I understand the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means' explanation of the bill, it is somehow that he was forced to sit in the back of the plane during the time that Speaker O'Neill was here and Dan Rostenkowski was chairman, and now he is going to get even.

As relates to the legislation before us, my colleague says just read it, because he certainly did not attempt to explain it. The gentleman did say, however, that this is basically the same bill that passed the House in the last session. That is very, very, very strange, because the Joint Committee on Taxation said if the same bill was to go into effect this year, it would cost us in revenue $662 billion. Now, I looked at the President's $1.6 trillion tax cut, and already they have spent $958 billion for rate reductions, another $400 billion for marriage penalty and child credit, so I wondered how they were going to fit $662 billion tax cut and estate repeal into the last wedge

that only left $200 billion; and they did it. By God, they did it.

Mr. Speaker, the only thing is that they are saying that their legislation does not take effect for another 10 years. When you are 70 years old like I am, those other 10 years, that is a long way away; but I think it is the Republican health plan. Do not die in the next 10 years if you want to protect your kids and your estate.

Mr. Speaker, why do you not do this; why do you not support the Democratic plan today? We bring about instant relief, at least for most of the people who have estates less than $5 million. And then maybe in 10 years you can come back again and see who is it that you left behind. In other words, we cannot have legislation for estates that leave no billionaire behind; we cover everybody, darn near, except about 6,300 people. So why do you not do the right thing by farmers and business people?

If they read the legislation like the gentleman from California (Mr. THOMAS) suggested, you will see that we are on the right side. Read the editorials and tax analysis. They know this is the right thing to do. Do not hold hostage all of the smaller estates only because you want to get everybody instant relief 10 years from now. Give them relief today and vote for the Democratic substitute.

□ 1230

Mr. Speaker, I hope we do have a bipartisan solution to this real problem that we face. I hope that this is not a continuation of what the Republicans call class warfare. I hope we are able to say that we are going to be responsible with a tax cut that fits into at least some type of a budgetary restraint. I reserve the balance of my time to just sit back and listen as to how they are going to get this size 12 foot into a size 6 shoe.

Mr. Speaker, I reserve the balance of my time.

Ms. DUNN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, only in America are we confronted with a certificate at birth, a license at marriage, and a bill at death. I rise today in support of H.R. 8, the Death Tax Elimination Act. Americans spend most of their adult lives paying taxes in various forms. We have an opportunity today to do something good for American businesses and families by ending the practice of paying a tax that is triggered only by death.

Why do we talk about repeal instead of about the exemption level that the gentleman from New York (Mr. RANGEL) has suggested? The reason is that if you do not repeal this tax, it will grow back. This tax began in 1916. A Democrat President, Woodrow Wilson, started this tax. It was the fourth time in history this tax existed. Before, always for fewer than 8 years to fund a war and then it was phased out. This time, the government got its hand in the people's pocket and it never took it out. I will tell you one other thing, Mr. Speaker. From 1916 to now if you calculated today's dollars and the exemption level in 1916, you would come out at $9 million in 1916. So our substitute is very, very unfair to people who are trying to do the right thing by providing for their retirement.

Critics of repeal often ask, why not just increase the exemption? The Democratic bill raises the exemption to $2 million. This is an arbitrary number. It rewards winners and losers arbitrarily. It is especially harmful to businesses that are capital rich and cash poor. Trucking companies, grocery stores, hardware stores, family-held newspapers and family farms would all easily exceed the $2 million exemption. In fact, a recent study of black-owned businesses found that 60 percent of black-owned firms are valued at over $2 million. The opposition claims that only 2 percent of Americans who die pay this tax. It does not begin to take into consideration the cost of compliance during the lives of those people, the cost of paying for life insurance policies and estate plans, or it does not take into consideration how many of those businesses sell off before the owner dies because they cannot afford to pay the death tax.

What about providing a special exemption for small businesses and farms? Our experience with the current exemption proves this to be a very poor choice. It is too complicated. It is too onerous. In fact, we tried with the best of intentions in 1997 to provide such an exemption. It was so complicated to be able to reflect family relationships in legislative language that only 3 to 5 percent of family businesses were able to qualify for this exemption.

Not only is this a repeal that we can afford, it is a repeal that will boost economic growth. A recent study by economist Allen Sinai shows that if the death tax were repealed, GDP could increase by $150 billion over 10 years and lead to 165,000 new jobs.

And it makes sense. The dollars that are being used to pay estate taxes and pay for compliance could be used to hire more people or provide health benefits. The assumption is confirmed by a recent survey of women business owners where 60 percent of the respondents indicated that the death tax will hurt expansion plans. Minority business owners recognize the death tax as a bad tax. It is a threat to their legacy. They say, and this is why it is endorsed by the Black Chamber of Commerce, that it takes about three generations to build a family business, to allow them to have a standing and a foothold in their community. They say that the death tax is an enemy, an obstacle that will keep these fledgling businesses from being able to survive. That is why the Black Chamber of Commerce and the Hispanic Chamber of Commerce supports our bill on the floor today.

People who oppose repeal like to claim that it will only benefit the rich. We know this is untrue. This is a tax that punishes good behavior and savings. It is a tax on virtue. It is a tax on the people who work hard, pay attention to their savings, provide for themselves so they do not have to lean on the government during their retirement and in most cases have already paid taxes once, maybe two times.

We need to promote business growth and not limit it. We need to encourage savings. I ask my colleagues to support the repeal of this tax.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. STARK), a senior member of the Committee on Ways and Means.

(Mr. STARK asked and was given permission to revise and extend his remarks.)

Mr. STARK. I thank the distinguished ranking member for yielding me this time.

Mr. Speaker, I would like to point out, to my children and to anybody who is paying attention to this debate, that the Republican leadership is doing it once again. They would rather give a substantial tax break to America's wealthiest than provide a Medicare drug benefit for all seniors. This is a package of irresponsible, excessive tax breaks. Worse than that, it is a hoax. Little happens for 10 years.

Actually, we gave the Republicans on the Committee on Ways and Means a chance to put their votes where their mouths are and vote to make this effective this year. The gentlewoman from Washington (Ms. DUNN), the gentleman from California (Mr. THOMAS), the gentleman from Florida (Mr. SHAW), the gentlewoman from Connecticut (Mrs. JOHNSON), the gentleman from Pennsylvania (Mr. ENGLISH), and all of the Republicans voted no. They had a chance to make this effective right now. Instead, they wait for 10 years and then the cost clocks in just at a time when we will have baby boomers needing Medicare and Social Security and just at a time when that money will not be available.

It is interesting, and I have got to warn those who expect that next year their estates will be exempted, because they are in for a big surprise. Forty-three thousand Americans, less than 1 percent of all the taxpayers, will benefit from this Republican hoax. Forty million elderly and disabled are not going to get a drug benefit under Medicare because of this wasteful bill. Ninety percent of the beneficiaries of the estate tax cut make over $190,000 a year and our typical Medicare beneficiary has an annual income of less than $15,000 a year. A thousand times more people would be helped under this plan if Members vote for the Democratic alternative.

Ms. DUNN. Mr. Speaker, I yield myself 15 seconds. In response to the gentleman, I think it is important that we hear people talking about this is going to decimate the future of the children. We are talking about a tax that will phase out over 10 years and will hardly

at the very end be more than 1 percent of the budget.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. CRANE), the chairman of the Subcommittee on Trade of the Committee on Ways and Means.

Mr. CRANE. I thank the gentlewoman for yielding me this time.

Mr. Speaker, I am pleased to be able to support the bill put forward today to reduce and eventually repeal the estate tax. As many people know, I believe the estate tax is a tax that is one of the most unfair, obscene and immoral of all taxes. The estate tax, or the commonly referred to death tax since it is triggered solely by death, has outlived any worthwhile purpose and the time has come for us to put an end to it. No American, no matter his or her income, should be forced to pay 55 percent of his or her savings, business, or farm in taxes when he or she dies. Clearly, no American should have the IRS follow him or her to the funeral home. The last thing that a family grieving over the loss of a loved one should have to worry about is losing the family business or farm to the Internal Revenue Service because of an archaic law intended to raise money for wars that have long since ended. But when a person dies in this country, an outrageous tax of 37 to 55 percent kicks in on the poor soul's estate.

I am pleased that the House of Representatives is taking up the issue to repeal this unfair tax so that family businesses can be passed on to children and grandchildren and family farms can continue to exist. Less than half of all the family-owned businesses survive the death of a founder and only about 5 percent survive to the third generation. Under the tax laws that we currently have, it is cheaper for someone to sell a business before dying and pay the capital gains tax than it is to pass it on to his children. This is a grave injustice that must be corrected.

It has been said that only in America can one be given a certificate at birth, a license at marriage and a bill at death. The death tax is contrary to the freedom and free market principles on which this Nation was founded. We should be encouraging businesses, especially small businesses, not creating obstacles for their existence.

The Republican Congress has a track record of being pro-family and pro-business. We take family businesses very seriously. When mom-and-pop shops are closing up because of an outdated tax policy, it requires leadership and determination to remedy the situation. I am pleased to be a part of this effort.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. EDWARDS).

(Mr. EDWARDS asked and was given permission to revise and extend his remarks.)

Mr. EDWARDS. Mr. Speaker, I rise in opposition to the Republican bill which actually raises estate taxes on many family farms and businesses with capital gains and maintains a 40 percent death tax until the year 2009.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. MATSUI), a senior member of the Committee on Ways and Means.

Mr. MATSUI. I thank the ranking Democrat, the gentleman from New York (Mr. RANGEL), for yielding me this time.

Mr. Speaker, I have to say that this bill here that is on the floor today that my Republican colleagues have offered, it really will not become effective until the year 2011, 10 years from now. The Democratic substitute which will be offered in a little while provides immediate relief, up to $2 million per person, $4 million per couple. This would give almost 99 percent of the farmers, 99 percent of the small businesses in America immediate relief. We do also provide a continuation of the stepped-up basis.

What is very interesting is that you do not hit $2 million on the Republican bill until the year 2011. In fact, you do not even get a million dollars' worth of relief until the year 2006 in the Republican bill. Why is it that it phases in? It phases in because they cannot be sure of these surpluses.

The fact of the matter is that the Congressional Budget Office has said that there will be $5.6 trillion worth of surpluses over the next 10 years. They also say in that same document that for a 5-year projection, they are only 50 percent accurate and for the 10-year projection they are basically saying it is not yet possible to assess its accuracy. We are really playing with speculation at this particular point in time. The reality is that we do not know what these surpluses will be.

At the other side of the table, if you add up every bill that the Republicans have passed since January of this year till now, it totals about $2 trillion with the loss of interest. At the same time, and this is the astonishing number, this is absolutely astonishing, the top 1 percent of the taxpayers that average $1.1 million a year will get 43 percent of these benefits. I have to say that a good part, about 50 percent, believe it or not, 50 percent of this $5.7 trillion speculative surplus is payroll taxes, payroll taxes that the average American wage earner pays.

□ 1245

So we are going to have middle-income people pay essentially for the tax cut for those people that make over $1 million a year. That is not fair. That is not equitable. Actually, that is absolutely unconscionable.

As a result of that, I hope my colleagues come to their senses and realize that what we are seeing here right now is not a whole issue of fairness. This is a whole issue of unfairness to the average American at a time when the market is failing, when unemployment will probably go up because the President is not paying attention to the economy of the United States.

Ms. DUNN. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Speaker, I want to commend the gentlewoman from Washington (Ms. DUNN) for her work, and the gentleman from Tennessee (Mr. TANNER).

Mr. Speaker, once again, it is rich versus poor, the class warfare that continues to divide America. It is ridiculous, and I would like to put this in another perspective. Two men buy a $20,000 annuity program. One man becomes rich and successful. The other man just barely survives. Are there those that say because the man was successful and rich he now, even though he paid the premiums, does not need the $20,000 so he should not get it, but the man who just survived should get it?

Mr. Speaker, this sounds like socialism to me. This is socialism. This Tax Code reeks of socialism. It is my philosophy that Americans that feather their nests should not be discriminated against; they should be rewarded and incentivized in the United States of America.

This whole tax business is out of control. We are taxed from the womb to the tomb, the stork to the undertaker. The tax man is Roto-Rootering our assets daily, year after year, picking our pockets; and we here in Congress are continuing to support them and give them more money. Beam me up.

I finally figured it out. Count Dracula still lives. Dracula lives in the form of the IRS sucking our very blood year after year, making American taxpayers undead because if they are dead they are going to pay, if they are successful, a huge tax.

I want all the money people to stay in America, not to move to Switzerland; and I think it is time to abolish this tax. I think the Republicans do it in a manner of time that makes it compatible with an economic policy.

I want to commend the chairwoman and say that I support the bill.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. LEVIN), a senior member of the Committee on Ways and Means.

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, the gentleman from California (Mr. THOMAS) referred to ''at any cost,'' and the truth of the matter is the Republicans here in the House have determined to pass tax legislation at any cost, even if it costs fiscal discipline; even if it costs the future of Medicare and potentially Social Security; and even if it costs the chance for meaningful prescription drug programs.

In a word, the House Republicans are on automatic pilot, and no warning signal apparently will deter them. The fact that the repeal does not fit into a 10-year projection, so what do they do? They just push a good portion of it out to the year eleven. And we are talking

then about a proposal that could cost over $600 billion?

It does not matter apparently that the Democrats proposed an alternative that provides more relief sooner and relieves essentially the estate tax for all farm families and individual businesses. The talk of bipartisanship really has such a hollow ring under those circumstances. For those of us on the Committee on Ways and Means, when it comes to tax legislation, the amount of bipartisanship, zilch.

The only redeeming factor here is that the Senate will not follow suit. This bill does not fit. We should do better. The Senate hopefully will slow down this plane before it crashes, and we will have another look at it.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. CARDIN), a member of the Committee on Ways and Means.

Mr. CARDIN. Mr. Speaker, let me thank the gentleman from New York (Mr. RANGEL) for yielding me this time.

Mr. Speaker, we are being asked today to approve a tax cut so blatantly irresponsible that the authors have had, in effect, to white out the costs. Those are not my words. That is the words of the Washington Post in their lead editorial today, and I agree with the editors of the Washington Post.

As the gentleman from New York (Mr. RANGEL) pointed out, if this bill was fully implemented immediately, the cost would be much, much higher than the $200 billion that has been put on this bill by the Joint Committee on Taxation. In fact, when it is fully phased in, it is about $70 billion of loss of revenue under the estate tax revenues, plus additional losses under the income tax; for when the estate tax is repealed, it is very difficult to figure out the base of property that is later sold, and there is transfer of property during life under the gift tax exclusions that would also lose revenue.

We have a choice, Mr. Speaker. We can have the Republican bill that tells our constituents in 2011 that we will not have an estate tax, or we can support the Democratic substitute which tells our constituents immediately that they can have a $4 million exclusion per family. That will take care of 99.4 percent of all of the estates that will be exempt from Federal estate tax. Then we can take care of almost all of the problems of family farmers or family-owned businesses. We can do that by supporting the Democratic substitute.

It is interesting, Mr. Speaker. I have had a large number of my constituents lobbying me on this issue. They came to my office to ask my support for the Republican bill. I showed them the Republican bill, and I told them they have a choice. They can believe that in the next five elections of Congress we will allow a repeal bill to take effect through three more administrations, or we can give them an immediate $4 million exemption. What would they prefer, $4 million today or take a bet on what is going to happen 10 years from now when the repeal would go into effect?

By the way, during the next 10 years, if they fall into the estate tax, they still need their life insurance; they still need their estate planning.

I must say the people who have come to my office to support the repeal tell me, give me the $4 million; I will take that. I will take the Democratic substitute because it is fairer; it is immediate and we know that we can count on that relief as we plan how to deal with our family business or we plan how to deal with our personal estates.

Let us reform the estate tax. We can do that in a bipartisan way. We can do that in a fiscally responsible way. By the way, we can also pay down the national debt. We can protect Social Security and Medicare. We can deal with high-priority programs, such as education, because it fits within the revenues that are available.

We do not try to do more than we promise. I urge my colleagues to support the Democratic substitute, reject the Republican bill.

Ms. DUNN. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. COX).

Mr. COX. Mr. Speaker, today we will repeal the death tax. We will send it to the President for the third time, but this time to a President who will sign it.

We hear arguments about why punitive confiscatory taxes on the after-tax life savings of hard-working Americans are somehow justifiable or somehow wise. The death tax is perhaps the most complicated part of the Internal Revenue Code, 88 pages. If one has ever seen a death tax return or, worse yet, if their family has had to fill one out, they know how extraordinarily complex and complicated it is. It is unfair and it is inefficient.

Even if one accepts the revenue analyses of the minority, which posit that there are no compliance costs and no collateral effects associated with this very damaging tax, it raises but 1 percent of our total revenues. In fact, according to the Joint Economic Committee, the costs that the death tax imposes on the economy more than offset its collections, so that this tax is actually costing not only our economy and workers money but the United States Treasury, and income taxes, income tax collections, are depressed as a result of maintaining the death tax on the books.

The death tax falls heaviest on people who have no money, because even though it is included in the income tax, one does not have to have any income in order to own it. All they have to have is property. It is really a property-tax levy and these property-tax levies are placed on the shoulders of people who have accumulated assets over their entire lives. When they sell the property, usually a small business, to pay the tax man, the workers who used to have jobs at that small business, at that ranch or that farm, are laid off. The death tax imposed on an unemployed worker is 100 percent.

The Democrat substitute would maintain a 55 percent highly-confiscatory rate punishing small businesses, ranches, and farms. The bill on the floor will repeal the death tax. It is time for the death tax to die.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to say one can search the Internal Revenue Code all they want and they will find no provision labeled the ''death tax.''

Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. KLECZKA), my friend on the Committee on Ways and Means.

Mr. KLECZKA. Mr. Speaker, the previous speaker indicated today we are going to repeal the estate tax. Did everyone hear that? Today we are going to repeal the estate tax. That is not accurate.

In fact, the bill before us, Mr. Speaker, is a fraud. It is a fraud on the American public. First of all, we are told, or it is indicated, that it is going to be paid. Only the wealthiest 2 percent in the country ever pay an estate tax.

Republicans say this is for the family farm and for the small businesspeople. That is not accurate, either. This bill is for the billionaires. Just last week, Wednesday, the Republicans had a little dinner in town knowing this bill would come up; and at that dinner, Mr. Speaker, they raised $7 million. Who does one think was there? The people who are going to benefit from this so-called bill that repeals the estate tax.

Let us look and see what the bill does. Here is the current estate tax. The bill before us takes the rate down to this point, costing $200 billion, and then five Congresses from now and three Republican, or three Presidents, and God forbid Republican Presidents, the rate falls from here to zero. This costs $200 billion for 10 years. This in 1 year costs $90 to $100 billion.

Does one think the sitting Congress at that point will be able to take that shock to the Treasury? Clearly not. So what will the Congress do? That Congress will then further extend it; and we are going to see at that point, over the next 10 years, the rate go down some more and then finally in the year 2031 the death tax or the estate tax will maybe be repealed.

So my advice to the Bill Gateses of the world and those who think this relief is on the way, do not die until the year 2031.

What does our bill do? Our bill raises the exemption immediately to $4 million. How many folks in the gallery are worth more than $4 million? I do not see any hands go up.

That is the relief that small business and farmers need today. That relief costs about $40 billion, not $200 billion.

□ 1300

So this bill is not for the Ma and Pa business people or the farmers; it is for

those who were there at that dinner last Wednesday when my Republican colleagues raised $7 million in one 2- to 3-hour period. That is what this debate is all about, make no mistake about it.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LINDER). Members are reminded that during debate, persons in the gallery are not to be referred to or engaged.

Ms. DUNN. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. SHAW), the chairman of the Subcommittee on Social Security.

Mr. SHAW. Mr. Speaker, I thank the gentlewoman for yielding me this time. I want to congratulate her on the wonderful job and effort that she has been doing year after year in order to bring about the realization of the elimination of the death tax.

My colleagues on the other side of the aisle will argue that all we need is targeted reform to fix any hardships caused by the current death tax. History shows, however, that they are wrong. They are dead wrong.

Originally enacted in 1916, the death tax was used as a sporadic and temporary way to finance the First World War. The original death tax provided an exemption of $50,000. That is about $11 million in terms of today's dollars. The top rate was 10 percent, and it was applied to estates over $5 million, which in today's terms would be $1 billion, or in excess of $1 billion.

From the 1920s through the 1950s, death tax became a weapon in the liberal arsenal to redistribute wealth. Estates were taxed at rates up to 77 percent. Congress then tried to address the hardship imposed by the death tax on farmers and small businesses, as we are today.

In 1976 and in 1981, the exemptions were increased and the rates were reduced to remove smaller estates from the tax rolls. But after that, the search for revenue to close budget deficits led to a decade of bills that largely increased the estate taxes.

The truth of the matter is that the existence of any death tax infrastructure would make it easier for future Congresses to expand the impact of the death tax system should, for example, revenue pressures demand such a course of action.

However, Mr. Speaker, we no longer have a deficit. Compliance and tax planning costs the taxpayers more than the revenue that the estate tax raises. Let me repeat that. Compliance and tax planning costs taxpayers more than the revenue that the estate tax raises. That is simply wrong.

Because the death tax falls on assets, it reduces incentives to save and invest, and, therefore, it hampers growth. Is that fairness? An individual works, pays taxes on his or her earnings, invests their earnings and again pays taxes on the income from the investments. Double taxation. When a person dies, the assets are then taxed again. I say to my colleagues, that is triple taxation.

With a maximum income rate of 39.6 percent and a maximum death tax rate of 55 percent, the combined rate can be readily seen as 73 percent. I ask again, is that fairness? But the most important reason to repeal the death tax is simply that Americans should not be taxed when they die. Imposing a tax on some Americans but not on others merely because of their death is wrong, and it is time now to put this tax to death.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume to note that it is so unfair to talk about repealing the estate tax when we do not even intend to do it for 10 years. It is really misleading.

Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. NEAL), a member of the Committee on Ways and Means.

(Mr. NEAL asked and was given permission to revise and extend his remarks.)

Mr. NEAL. Mr. Speaker, I thank the gentleman for yielding me this time.

The gentleman from Ohio (Mr. TRAFICANT) indicated earlier that this was a debate about the rich versus the poor. That is simply not true. The debate today is about doing something for the living as opposed to doing something for the dead.

We could well afford in this institution today to provide a prescription drug benefit that was fixed for Medicare recipients. Instead, we are coming to this floor today to assist those who really do not need it.

Let me, if I can, quote again the editorial from the Washington Post that appeared this morning. ''The House will be asked today to approve a tax cut so blatantly irresponsible that the authors have, in effect, had to white out the cost.'' In other words, the phase-in of the estate tax repeal is so slow that the $660 billion cost of immediate repeal has been reduced to $185 billion. That was the point of an amendment offered last week in the Committee on Ways and Means.

But there is even a more fundamental point here. It is that the committee majority could not figure out how to handle the true cost of repeal, given their other priorities, so they manipulated the budget rules to make it fit the 10-year window. Under the rules here, it is perfectly legitimate, but it is very questionable in terms of governance. There are tax proposals that should be phased in over a few years for policy reasons; others are phased in over a few years to save costs. But moving the bulk of the revenue loss out into the 11th year because we cannot figure out how to pay for this repeal is, as they say, a horse of a different color.

This is what it means. We cannot deal with it now. We cannot deal with it now because nobody knows what the real revenue estimate is. We do not know how to repeal the estate tax and make it affordable, but we intend to hold out and hold on to the notion that the estate tax will be repealed because we have a political commitment out there that we intend to honor, at least for the moment.

Mr. Speaker, I think that we missed a grand opportunity today. What a missed moment when we could have offered a solid compromise that would have taken care of 1 percent of the 2 percent who pay the estate tax in America. The Democratic substitute is preferable today. Vote for our alternative.

Ms. DUNN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. SAM JOHNSON).

Mr. SAM JOHNSON of Texas. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, we are hearing a lot of rhetoric in here today, but the key is our bill is to repeal, and the Democrat substitute is not. There are 65 Democrats and 213 Republicans who supported the death tax repeal last June. I wonder if those people will stand up today. Last year 65 Democrats crossed party lines, ending one of the most unfair taxes today, the death tax, and those 65 Democrats, I wonder if they will vote to end this onerous tax now that they know the President will sign the bill?

For those who do not know, the death tax confiscates up to 55 percent of a family farm or business when a loved one passes away. It is just plain wrong for Uncle Sam to start taking up a collection while families are still grieving at the funeral home.

Furthermore, according to the National Federation of Independent Business, one-third of small business owners today will have to sell outright or liquidate part of their business just to pay death taxes, and half of those that liquidate to pay the IRS will have to eliminate 30 or more jobs. In today's chilling economy, that statistic is horrifying. Couple that with the fact that 60 percent of small business owners report that they would create new jobs in this year if the death taxes were eliminated.

J.C. Penney, which is headquartered in my district, has laid off more than 5,000 employees. If this death tax repeal goes through, those folks without jobs could go to work for small businesses who want to hire more people.

Mr. Speaker, this Congress has got to stop the IRS from taxing families to death, and we need to do it now. The death tax is just plain wrong. Let us vote for death tax repeal.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume just to note that the gentleman did not mean we need to do it now; the gentleman from Texas means he means to do it 10 years from now.

Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. TANNER), a member of the Committee on Ways and Means.

(Mr. TANNER asked and was given permission to revise and extend his remarks.)

Mr. TANNER. Mr. Speaker, I would like to thank the gentlewoman from Washington (Ms. DUNN), whom I have worked with on this issue, as well as the gentleman from New York (Mr. RANGEL) for his, I think, outstanding work in fashioning a substitute.

Look, I came to this issue from the standpoint of agriculture and small business. The Democratic substitute is very attractive from the standpoint of immediate, substantial relief to those sorts of individuals, small businesses and family farms. The Democratic substitute, in my judgment, is weak in terms of addressing what I consider to be rates that are exorbitant, 55 percent. I do not believe in taking over half of anything by the government from the people. So we have that situation, but we have immediate and substantial relief.

We have in the Republican bill almost no immediacy, but we have an addressing of the exorbitant rate I spoke about.

I may be like many Members here in that I want something to happen this year. Nothing happened last year. I want it to happen not just in legislation, but to people, real people who have small businesses and family farms. That is the shortcoming of the underlying bill that I am a sponsor of.

So I do not believe that the two ideas are necessarily mutually exclusive. I think this is a work in progress, and I think we can fashion something if we could somehow figure out how to work together here to do something both on an immediate relief from the current code of $675,000 credit, and also something on the rate. We have not been able to put those two together. I was not consulted on the chairman's mark in the committee, but nonetheless, I think we have an opportunity somewhere down the line, a window of opportunity, to actually make something good happen in this area of tax law.

Ms. DUNN. Mr. Speaker, I yield 2½ minutes to the gentleman from Georgia (MR. BISHOP).

Mr. BISHOP. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Let me also commend the gentleman from California (Mr. THOMAS), the Chairman of the Committee on Ways and Means, and the gentleman from New York (MR. RANGEL), the ranking member, along with the gentlewoman from Washington (MS. DUNN) and the gentleman from Tennessee (MR. TANNER) for an extraordinary job in working this issue.

When America's families lose a loved one, their grief is often compounded by the loss of a farm or business, or other assets that have been held and nurtured for many generations and were expected to be passed along to future generations. For many families, this is what the unfair, confiscatory death tax does; it robs them of investments of a lifetime and their hopes and their dreams for the future.

Studies show that one in every three family businesses and farms lack the liquid capital to pay the death taxes, which can amount to 55 percent of the estate's value. It will either have to be sold or liquidated, even more loss in an area like mine where family farms and small businesses are such a big part of the economic base. It is not only the families that suffer, but it is the employees of those businesses that suffer.

I can cite many examples from my area of southwest Georgia, and in Georgia, the mom-and-pop service station that a couple struggled 40 years to establish and their three sons would run after they died, or the Atlanta Daily World newspaper, or the southwest Georgia newspaper, or countless funeral homes that have been passed down for one and two and three generations that could be threatened if this tax stays in effect.

All segments of society are hit by the death tax, but none harder than minorities. More than 1 million minority-owned businesses are believe to be jeopardized by the tax.

I have listened to both sides of the debate, and no one has explained what is fair about it; a tax that is levied on income that has already been taxed, that penalizes hard work and success, that encourages compliance costs that almost wipe out the relatively small amount of revenue it raises, and that robs families of their heritage.

Mr. Speaker, I urge my colleagues today to vote to eliminate this burden on America's families.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (MR. DOGGETT), a member of the Committee on Ways and Means.

Mr. DOGGETT. Mr. Speaker, I thank the gentleman for yielding me this time.

I believe that the question that our Republican friends joined by one of my colleagues from Georgia just now need to answer, is if they are so much against the so-called death tax, why is it that this morning they are so modest, so timid, indeed so fearful of providing relief now to the small businesses and the family farms? The real problem with their ''repeal'' is that it does not actually repeal anything any time soon.

I heard just now my colleague refer to service stations and funeral homes. How much relief do all of these supporters of the repeal of the death tax provide for such enterprises? Well, I heard the 55 percent tax described as confiscatory, and under their repeal, what relief do all of those people get next year that have been coming around, that have been stirred up by all of these Republican lobby groups to repeal the death tax?

Well, they certainly do not get repeal. Anyone who dies next year, they are going to get an amazing amount of relief. The confiscatory 55 percent tax will be lowered all the way down to 53 percent. That is the amount of relief that these timid supporters of ''repeal'' of the death tax are offering for next year. How about carrying it on down a few years to 2006. Well, by that time, these timid supporters of the ''repeal'' of the death tax are still not repealing any tax for anybody, instead, they are only lowering it for all to 46 percent.

Mr. Speaker, they do not repeal the death tax for a single American next year.

□ 1315

Indeed, they do not repeal the death tax during the entire decade, for a single American.

All these groups, these service stations, funeral homes, family farms, family enterprises that have been so concerned, that have been stirred up by all the Republican rhetoric, they do not get any repeal of the death tax next year or during the next decade.

The only hope that family enterprises have for repeal under the Republican proposal occurs a decade from now, in 2011, at the very time that the baby boomers are placing the greatest demands on Social Security and Medicare. If at that time we have, and it seems inconceivable, but if, at that time, we have a Congress that is as fiscally irresponsible as the current one, and it remains willing to repeal the tax from the billionaires, from the super rich in this country, then, and only then, perhaps relief will trickle down to family enterprises.

Today House Republicans say that Teddy Roosevelt, a great Republican who first advocated the inheritance tax, that he was all wrong and that inherited wealth is no longer a problem, inherited economic power that concentrates more and more of the wealth in this country in the hands of a few super-rich billionaires; that that is okay, that we do not need to worry about it, that it does not threaten our democracy.

But in the meantime, the small businesses and the family farms, and all of the tearful stories that we have heard here this morning, those people are being held hostage. They will have to pay a tax for the next decade because the Republicans are fearful of repealing it for them.

Our Democratic substitute repeals that tax for the first $2 million for an individual, $4 million for a couple. It repeals it for 77 percent of the estates that pay taxes today and does so promptly, in January, not in future decades.

Ms. DUNN. Mr. Speaker, I yield myself 15 seconds.

Mr. Speaker, the gentleman fails to mention that his proposal to increase the exemption does not tell the story that on the first dollar after that exemption, taxpayers will be paying at a rate of 49 percent, as opposed to the 18 percent in the bill that we propose.

Mr. Speaker, I yield 2 minutes to the gentleman from Arizona (MR. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I thank my colleague, the gentlewoman from Washington, for yielding time to me.

Mr. Speaker, it is very interesting, and part of the necessity, I guess, of those who say no in every circumstance, to embellish remarks. In the interest of making a valid point here, to my friend, the gentleman from Texas, one point he assiduously ignored in his litany of alleged shortcomings was this: Under the plan of my friends, the minority, the death tax is never eliminated.

That points up a basic disagreement. Our friends on the other side, with the exception of some folks who understand the commonsense reality of trying to get rid of this tax and put it to death within the current budgetary constraints we face, a lot of my friends over there believe no how, no way should we rid ourselves of this confiscatory tax.

Simultaneously, they argue every side of the issue, and suggest that we can relieve it to a certain point, but if one makes one dollar more, that is too much success and therefore that person exists to be punished.

It is a simple question, really, one of fairness: Is it fairness to eventually put this death tax to death for every American, and say it is wrong to punish those who succeed, or is it better to drive a wedge in the American people; to play upon the politics of envy, rather than the realities of fairness?

Today we stand, in a bipartisan way, which may add to the consternation on the other side, and say, no taxation without respiration. The policy may not be achieved in a day, but as my constituents tell me in Arizona, it will be achieved, and we invite our friends to put aside this mindless class envy and to join with us; to say to every American, no family should have to visit the undertaker and the tax collector on the same day. Support the legislation.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (MR. MCDERMOTT), a member of the committee.

(MR. MCDERMOTT asked and was given permission to revise and extend his remarks.)

Mr. MCDERMOTT. Mr. Speaker, we are here for act III of the tax follies of the year 2001. It is interesting. We have heard everyone say, and I do not need to repeat the fact, that there is no tax relief for 10 years. It is simply that they want the headline—they want the commercial with the line in it that says, ''I voted to repeal the estate tax.'' What they will not put in there is, ''I voted to repeal the estate tax in 2011.''

We are setting up commercials here today. No one seriously believes on either side of the aisle that the Senate is as crazy as to adopt this particular law. The reasons are very obvious. If we take a serious look at what laughingly is called the President's budget or the House's budget, there is no money in there to stabilize Social Security. There is no money in there to deal with what everybody admits is going to be the problem in 2010, when the baby boomers come into the Medicare system.

Everybody out there listening to this who is 55 years old now and in 10 years will be 65, and is counting on that Social Security, and is counting on Medicare for the security it gives one economically ought to be listening to this debate and wondering, where are these people going to get $660 billion in 2010 to deal with those issues?

I think the people on the other side must think the Americans are asleep or stupid or something. I do not know how one could think that the American people cannot see that in 10 years, when they count on Medicare, that they are suddenly going to be shovelling out the door $660 billion having done nothing in the intervening 10 years to prepare for what is undoubtedly going to be a catastrophe.

We all know that. Everybody approaches it. Everybody waves their arms and talks about it, but we do not do anything about.

What we are being subjected to here today is what I call a perfect example of the big lie. If people say a lie enough times, people start to believe it. People actually believe there is a death tax. I have people call me up on the phone who have not got two nickels to rub together telling me that I have to repeal this death tax, like when one dies they come and tax one right in the funeral parlor. My father died 2 years ago. Nobody came to collect any death tax, and it is not going to happen. It is a lie.

Ms. DUNN. Mr. Speaker, I yield 2 minutes to the gentleman from California (MR. HERGER), the author of the lockbox that sets aside all dollars for Social Security and Medicare.

Mr. HERGER. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, Americans are taxed all their lives: when they get a job; when they are married; and yes, even when they die.

Today we are considering legislation to end the destructive death tax once and for all. The death tax is wrong and it is bad policy.

First, the death tax is double taxation. Every dollar invested in a family farm and small business or a household has already been taxed or will be taxed in the future.

Secondly, the death tax has its hardest impact on middle-income Americans, not the super wealthy, but individuals and families who have invested their life's savings into small businesses and are often asset-rich but cash-poor.

For this reason, the death tax is the leading cause of dissolution of most small businesses. One-third of small business owners today will have to sell or liquidate their small business to pay the estate tax. Half of those who do liquidate will have to eliminate 30 or more jobs. Is it any wonder that 70 percent of all businesses never make it past the first generation and 87 percent do not make it to the third?

Finally, the death tax collects only a small percentage of Federal revenues. The death tax actually comprises just 1½ percent of total Federal revenues. With as much as $2.5 trillion in non-Social Security surpluses being projected over the next 10 years, surely Washington can afford to return a penny on the dollar of the surplus to the American taxpayers who created it.

Mr. Speaker, it is time to do the right thing. It is time to end the unfair and destructive death tax.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from South Carolina (MR. SPRATT), the ranking member of the Committee on the Budget.

(MR. SPRATT asked and was given permission to revise and extend his remarks.)

Mr. SPRATT. Mr. Speaker, I rise in favor of total repeal of the estate tax now for 99.5 percent of all estates; all Americans who may die, 99.5 percent. This means repeal today, not 10 years from now.

That means the family businessmen, the family farmer for whom they profess so much concern, they bring them forth when they present their case, will be exonerated, sheltered from estate tax; and not only that, he or she will get stepped-up basis on all of the assets. The heirs will take the assets with an investment basis equal to the value at date of death, which means when they settle that value, there will be no capital gains. Under the Republicans' bill, all assets over $1.3 million will have a carryover basis; not a stepped-up basis, a carryover basis.

On both scores, this bill, this substitute, is manifestly, unquestionably better for the people they are professing so much concern for, small business people and family farmers. This is the way to vote: Total repeal for 99.5 percent of all decedents.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from California (MR. WAXMAN), a distinguished Member.

Mr. WAXMAN. Mr. Speaker, last week I gave out the first of what will be a series of Golden Jackpot Awards to the mining industry and the EPA, the Environmental Protection Agency, and administrator Christine Todd Whitman, for the incomprehensible decision to allow more arsenic in drinking water.

We are going to be giving this award whenever we are confronted with decisions that exemplify amazing feats of lobbying that result in outrageous windfalls to special interests.

Today we have a new winner. I am awarding this week's award to President Bush and Vice President CHENEY on behalf of the entire Bush cabinet for their plan to completely repeal the estate tax. By insisting on total repeal and by passing today's Republican bill, the President and Vice President would share in as much as $50 million in benefits. Let me repeat that, they will

share in $50 million in benefits. That is just for the Bush and Cheney families.

This is not a bill that just helps the President and Vice President. Repealing the estate tax would provide as much as an average of $19 million for members of the Bush cabinet. Of course, Members of Congress are not being left behind, because under the Republican bill we will soon vote on the richest 50 Members of Congress getting $1 billion in benefits. That is $1 billion with a ''B.'' That is better than any pay raise I have seen proposed for Members of Congress.

The breathtaking self-interest and enrichment in the Bush proposal is the very essence of the Golden Jackpot Award, and this award I am going to bestow on this administration for the jackpot that many of the members of the cabinet are going to hit if this repeal of the estate tax becomes law. It seems to me that we ought to recognize the enormous windfall that this special interest provision, this special interest bill, would have.

I urge that we vote against the Republican proposal.

Ms. DUNN. Mr. Speaker, I yield 2½ minutes to the gentleman from Iowa (Mr. NUSSLE).

Mr. NUSSLE. Mr. Speaker, I thank the gentlewoman for yielding time to me, and for her leadership on this measure.

The arguments are very interesting, particularly when we hear them in context. I have tried to document the arguments that our friends on the other side have made about our budget and about our taxes. It really puts it in perspective for me, because what we have come forward with today is a tax bill that fits. It fits within our tax priorities, but it also fits within the overall priorities of our budget, which is an important thing for us to consider here today. Their bill does not fit within that budget. It does not meet those commitments.

But this is not a new argument for our friends on the other side. They have been making arguments about our budget and about our tax relief for Americans for quite a few years. Let me just highlight a few of them, because I think they are interesting.

First, they said we cannot have tax relief for Americans because we do not have a balanced budget.

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My colleagues said we cannot do both. We did both. We balanced the budget. We provided a tax relief. Now my colleagues say, or then my colleagues said, we cannot do it unless we put Social Security in a lock box. So we put Social Security in a lock box. Then my colleagues said we cannot do it unless we put Medicare in a lock box. So we put Medicare in a lock box. We balanced the budget and put Social Security in a lock box.

Then my colleagues said we cannot do it unless we fund some very important priorities. So we funded priorities, such as education, the environment, health care, health research, a number of very important priorities, plus added defense and agriculture to them.

They said we still cannot have tax relief, because it is the wrong process. It is too fast. So we slowed things down, passed a budget; and still my colleagues said it is the wrong time, because now the tax bill is actually too big.

Okay. Then we have proven that this tax bill fits within the budget that we just passed, that the Senate is working on. Now, believe it or not, all of those arguments have been refuted, and now they come to the floor with a bill that they say is not big enough. They say our tax bill is not big enough, that it is not fast enough.

First, they said it was too slow; now it is too fast. Now it is too big; now it is too small. When are my colleagues going to understand you have run out of excuses? We are able to balance the budget, fund our priorities, provide the needed tax relief for our American families and small businesses and farms, do it in a responsible way that fits within the budget that we just voted on and passed, and do it at the same time we pay down our national debt and fund all of the priorities of our government.

I think it is important for us to remember these arguments in context. H.R. 8 is a good bill that fits within the budget, and it deserves our support.

Mr. BLAGOJEVICH. Mr. Speaker, I rise in opposition to H.R. 8, an effort to phase-out the estate and gift taxes over a 10-year period. I support eliminating the burden that the estate tax imposes on family farms and small businesses, and I have voted in the past to remove that burden. I have joined with many of my Republican colleagues to support legislation to end the estate tax. However, the bill before us today, as amended by the House Ways & Means Committee, would prevent the vast majority of family farms and businesses from seeing any significant relief for ten years.

Had the Ways & Means Committee been content with the bill as introduced, I could confidently cast my vote for a bill which would reduce rates substantially for people who truly need estate tax relief. But the Committee has chosen to present the House with a very different bill—a bill which provides immediate relief for billionaires, and makes family farms and businesses wait ten years.

The Democratic alternative shows there is a different way. By immediately raising the estate tax exclusion to $4 million, the alternative offered by my Democratic colleagues immediately repeals the estate tax for the vast majority of families faced with this burden. This effort alone would make sure that 99.4 percent of all small businesses and farms will never have to worry about the estate tax. Instead, the Ways & Means Committee has decided to delay relief for small business and farmers in order to immediately provide a tax cut for the wealthiest Americans.

As the growth of our economy slows, we here in Congress need to be absolutely sure that we are doing the job our constituents sent us to do—to make sure that the federal budget stays balanced. No one wants to return to the days when budget deficits forced interest rates through the roof, making it harder for businesses and families to balance their own budgets. I will continue to work for meaningful tax relief within the context of a balanced budget. But I cannot vote for a deeply flawed bill that will immediately benefit billionaires and make small business owners and farmers wait a decade for real relief.

The Senate still needs to add its voice to this debate, and I am hopeful that when the two Houses meet in conference, they can produce a bill that provides genuine estate tax relief. I look forward to voting for a conference report that will free family businesses from estate taxes—not a decade from now, but immediately.

Mr. SANDLIN. Mr. Speaker, today the House of Representatives votes to loosen the noose of estate taxes that choke many small-businesses, family farms, and ranches. As a nation of entrepreneurs and small businessmen, where multigenerational businesses form the backbone of many communities, the estate tax is too often an insurmountable obstacle to those who wish to carry on their families' way of life. As an original cosponsor of legislation designed to repeal the estate tax, I understand the despair of families faced with selling portions of a farm or business to settle the estate of a deceased family member. By voting to phase out this tax, Congress is removing an obstacle faced by thousands of East Texas businesses, farmers, and families.

Eliminating the federal estate tax is a top priority, because this tax is a burden on small businesses, family farmers, and growing families who can least afford the sting of additional taxes. Back in 1997, during my first term in Congress, I introduced legislation intended to eliminate the estate tax. My desire to eliminate the estate tax was sparked during my travels throughout East Texas and the conversations I had with the family farmers and small businesses facing ruin at the hands of this measure. Two years later, after the people of the First District of Texas decided I deserved a second term, I again introduced legislation that would completely repeal this tax. Today, as I begin my third term in Congress, we are prepared to phase-out the estate tax and protect multigenerational businesses and families from unfair taxation.

Today's action, however, is only a partial victory for those subjected to this tax. In a perfect world, Congress would vote to repeal the estate tax effective this year. Instead we are passing a modified, multi-year phase-out plan that won't be fully effective until 2011. Earlier this year, Congress had an opportunity to speed up the pace of estate tax repeal. However, the Republican leadership muscled through an irresponsible tax rate cut plan that drains a substantial portion of the predicted surplus. By pushing through a tax cut skewed largely to the rich, the Republican leadership is now forced to offer an estate tax bill that does not provide for complete repeal until 2011. Therefore, I will also support the Democratic alternative. This alternative provides substantial tax relief by raising the effective exclusion to $2 million per person effective in 2002. Although the Democratic alternative does not completely repeal the estate tax, the legislation does provide relief from the estate tax faster than the Republican alternative. By joining several of my colleagues in voting for both bills, I hope to send the message that

both sides must work together in crafting a bipartisan product that completely and quickly eliminates the estate tax.

Mr. Speaker, today Congress is taking the first step in removing barriers to multigenerational businesses and farms that are an important part of my community. I sincerely hope that in the coming months, Congress can work together in a bipartisan manner to pass fair and effective tax relief that benefits working families, small businesses, and family farmers. By repealing the estate tax, Congress is taking an important first step to carry out this goal.

Mr. MOORE. Mr. Speaker, I rise in support of H.R. 8, legislation that would provide for the eventual repeal of the estate and gift tax. I have long been a supporter of providing estate tax relief to American families, small business owners, and farmers who have worked their entire lives to transfer a portion of their estates upon their death.

While H.R. 8 is the vehicle that the House leadership wishes to pursue to achieve this goal, I believe there is a better way to provide relief and maintain our commitments to paying down the national debt, protecting Social Security and Medicare, and providing for our other priorities. This is why I will also be supporting the substitute to H.R. 8.

The alternative will increase the estate tax exclusion for all estates to $4 million, exempting two-thirds of all estates that would have to pay tax under current law and 99.4 percent of all farms that would otherwise have to pay the estate tax. All of these changes will be made immediately, instead of delaying relief to the small businesses and family farmers who truly need relief for several years as H.R. 8 would do, giving more estate tax relief to estates of less than $10 million than H.R. 8 through 2008.

H.R. 8 does not repeal the estate tax for 10 years; rather, it slowly phases-down the marginal tax rates and provides no increase in the exclusion. This will delay estate tax relief to the small businesses and farms that truly need it. H.R. 8 uses a phase-in period to hide its real effects. While the first 10 years cost only $192 billion, I have deep concerns about the fact that the true costs of this legislation fall outside the 10-year budget window, when they explode to above $100 billion in year 11 and up to $1.3 trillion in the second ten years.

Mr. Speaker, I serve on the Budget Committee and offered an amendment before both the Budget and Rules Committees to require the effects of revenue-reducing bills to be fully phased-in within the 10 year budget window. The bill before us today does not meet this criterion and I believe that is a serious mistake.

We've heard time and time again about the uncertainty of long-term budget forecasts and the necessity to urge caution in using projected surpluses. Indeed, most of the surpluses we're talking about—two-thirds to be exact—will not be realized until years 6 through 10. This also happens to be the time period in which the bulk of relief under H.R. 8 is phased-in, a time period that produces less reliable budget projections. I believe that the fiscally responsible thing to do is to develop policy under a framework where forecast figures are more reliable—if these surpluses do indeed materialize in the out years, then we can and should contemplate larger tax cuts.

I believe the practice of hiding the true costs of the legislation we pass is deceitful and irresponsible and we should put it to a stop. The President and many members of this Congress have indicated that they want tax cuts of $1.6 trillion—no more, no less. While we can argue the merits of this number, what we cannot and should not argue is the fact that those tax cuts, all $1.6 trillion should be accounted for within the 10-year budget window.

I am concerned about recent comments by Chairman of the Ways and Means Committee Mr. THOMAS that this Congress will somehow fit ''1½ pounds of sugar into a 1 pound bag.'' I infer from his comments that this House intends to pass tax cuts larger than $1.6 trillion—at least beyond the 10-year window. Make no mistake, this bill today achieves that goal by pushing its true costs beyond our agreed upon budget window.

Simply, H.R. 8 would have the American people believe that they will receive immediate and substantial estate tax relief. This bill delays a full repeal, which will have budget implications that this country simply cannot afford. With over one trillion dollars in lost revenue, this has the potential to put this country back on the wrong fiscal track of increased deficit spending and an exploding national debt.

Although the majority claims to support retiring the publicly held debt, they have begun the session by scheduling several tax bills funded by the projected budget surplus without giving any consideration to the impact that the bills will have on our ability to retire our $5.7 trillion national debt. These tax cuts have been predicated on the notion that the projected budget surpluses of $5.6 trillion over the next ten years will somehow materialize.

Mr. Speaker, I submit that the likelihood of these projections actually materializing is extremely slim. We are all aware of the recent $3.7 trillion loss in the equity market. This slowdown will undoubtedly have a negative effect on revenues and produce lower overall budget projections—how much lower is anybody's guess and we should not bet the farm on tax or spending programs that are based on circumstances that no one can accurately predict.

I am concerned, that the total costs of this bill, fully phased-in, could exceed not only the $1.6 trillion number that ''fits'' within current projections, but may actually result in Congress returning to deficit spending. This is why I intend to support the fiscally responsible substitute which provides immediate estate tax relief targeted to farmers and small businesses while protecting other urgent priorities such as paying down the debt and shoring up the long-term future of Social Security and Medicare.

I will also support, however, final passage of H.R. 8 because it is the only vehicle the leadership will allow to provide estate tax relief. I will not obstruct that vehicle; however, I hope the Senate and the conference committee consider carefully compromise language that provides substantial, immediate relief, and that is fiscally responsible.

Mr. HOLT. Mr. Speaker, the estate tax. It is unfair and punitive and hurts family-owned small businesses and farms.

Last year, I visited the DePalma Farm, 85 beautiful acres in Holmdel, New Jersey. This property is one of the largest parcels of undeveloped land in my central New Jersey Congressional District. The DePalma farm survived two World Wars . . . the Great Depression . . . and the advent of the technological revolution and the factory farm. But today, because of the estate tax, family members had to make difficult decisions about whether to sell the property to developers just to pay the estate tax. This is true even though some wanted to keep the land in the family or preserve it as open space.

When a government policy robs families of their heritage and forces communities to develop land instead of preserving it, something needs to be changed.

Some people say that the estate tax is something that only affects the wealthy. But any community that has lost a lumber yard, a jewelry store or a family grocery to the estate tax knows better. These losses can forever change the character of a town. In boroughs and townships across New Jersey, businesses and families are going through financial gymnastics to avoid being bankrupted by this punitive tax.

I am proud to be a cosponsor of bipartisan legislation introduced by Representatives TANNER and DUNN to phase out the estate tax.

The legislation before us today provides $186 billion in tax relief by phasing in a repeal of estate, gift, and generation-skipping taxes. Beginning next year, the unified credit, currently applied to the first $675,000 of property, will be converted to an exemption so that the lowest statutory rates will apply to the value of an estate exceeding the exemption amount.

The bill expands conservation easements by modifying the distance requirements from metropolitan areas. Under the bill, maximum distance of eligible land from a metropolitan area, national park, or wilderness area is doubled. In an area like central New Jersey, where land values are skyrocketing, these provisions are important.

It is clear that simply raising the size of an estate exempted from the tax won't truly solve the problem. In central New Jersey, where the price of an acre of land runs into many, many of dollars, simply increasing the exemption would only help a minority, not a majority, of farms. Because wages, equipment, and the cost of living is higher in New Jersey than in other states, such a change would be unlikely to help most small businesses, too.

As an environmentalist and a fiscal conservative, I believe that Federal tax policy should not make it more difficult for families to retain the businesses or farms on which they have worked for their lifetimes.

And it should not give wealthy developers an unfair advantage over those who want to preserve open space for their community.

Central New Jersey supports eliminating the estate tax for family-owned farms and business. I urge my colleagues to pass responsible estate tax relief.

Mrs. MINK of Hawaii. Mr. Speaker, last year I voted to override the President's veto of the estate tax bill. I said at that time that it was necessary for both parties to develop an effective and sensible estate tax reform bill. The Democrats accepted my advice. Unfortunately, the Republicans did not.

On February 27, 2001, I introduced H.R. 759, immediately raising the estate tax exemption to all estates up to $5 million. That exemption would exempt virtually all estates from any estate tax. Consider estates in Hawaii, for example. In 1998 there were about 8,000 deaths in Hawaii. Only 196 estates had any estate tax liability. With a $5 million exemption, 184 of those estates, 94 percent of

those that were taxed, would pay no tax. Only 12 estates would have had any tax liability.

The Democratic alternative contains a $5 million per couple exemption. I support the Democratic substitute because it exempts 75 percent of all estates and provides immediate relief. That is far better than the Republican plan which does not fully go into effect until after 2011.

The Republican estate tax bill is part of the excessive Republican tax plan. It offers no margin of error to avoid plunging the budget into deficit and leaves no amounts of any substance for education, Medicare or prescription drugs.

I urge support for the Democratic estate tax substitute.

Ms. KILPATRICK. Mr. Speaker, today I rise in strong opposition to H.R. 8, the Estate Tax Elimination Act. I say this with reservation, because I am not against tax relief for our nations small farmers and small businesses. In fact, our Democratic leadership on the Ways and Means Committee has drafted a more sensible estate tax relief bill. I am, however against the measure offered here on the floor. The Republican bill is simply too costly, it fails to stimulate a fragile economy and it fails to address the priorities of the America people.

This bill would cost the American people $662 billion if the estate tax was immediately repealed. However, in order to hide this fact, the Republican majority has stretched the measure out over 11 years. This bill finally repeals the estate tax in 2011. When added to the two other tax measures passed earlier in this house, the price tag of the President's tax cut will skyrocket to $2.9 trillion.

Once again, we are dealing with a tax measure directed at the very few. Today we are dealing with a tax that, according to the Joint Committee on Taxation, applied to only 2 percent of all estates based on IRS data from 1998. So America, we now operate in a time where 2 percent of estate control the legislative agenda of the U.S. House of Representatives. The first thing this measure does—I repeat, the first thing done in this measure . . . is the removal of the current surtax for estates larger than $10 million. It appears that while the President and some members of his Cabinet will receive significant benefits, our Nation's family-farms and small businesses are instructed to hold for tax relief until an unspecified future date.

On the other hand, our Democratic leadership on the Ways and Means Committee has crafted an estate tax relief measure that goes to those estates that need it most. The Democratic substitute, once fully phased in, provides a $2.5 million exclusion per individual and a $5 million exclusion per couple. Most significantly, the bill, effective January 1, 2002, would increase the current estate tax exclusion from $675,000 to $2 million providing immediate relief to our farmers and small businesses.

I have said it before, and I will say it again. Why are we here debating this massive tax cut? If my memory serves me correctly, the President, during the campaign, stated over and over again, that his first priority in office was the issue of education reform. We have been in session for 4 months now and we have yet to consider any substantive education measure. As Democrats, and at least half of the American public that voted for Al Gore feared, the President does not seem to be able to, or simply has chosen not to use his position of influence to move education in the Congress.

America, I challenge you to keep an eye on this President. If there were any doubts as to where his loyalties are, if there were any doubts about his sincerity about being bipartisan, if there are any doubts on whether or not he would represent all Americans—those doubts should be no more. His loyalties are to business and the wealthy, his policy has been extremely partisan, and he has chosen not to represent the least in our society.

To my colleagues, I urge you to vote against H.R. 8 and support the Democratic alternative.

Mrs. CLAYTON. Mr. Speaker, I rise today in support of estate tax relief for farmers and working Americans. I come from a rural district where a great many of my constituents make their livelihoods from farming. On paper, they look wealthy. In reality, they may not have $50 in their pocket or $1,000 in the bank. It is time for Congress to fix the estate tax so that it doesn't affect the livelihoods of these hard-working people. However, while the estate tax should not affect farmers and small businesspeople, it must be considered within the context of a larger tax debate. Only the larger debate can answer the question of basic fairness.

I want to see farmers, small business people, and working Americans treated fairly. That is why I will vote for the Democratic alternative. The Democratic alternative provides estate tax relief for those who need it, and sooner. It also exempts 99 percent of farms. The alternative allows for fiscal prudence and recognizes that America has other pressing needs. Fairness means providing sensible tax relief for working Americans. Fairness means giving our Nation's farmers the same support that they have given to us.

Because I seek fairness, I must continue to question the entire package of tax plans that the majority has sent to the floor. Taken as a whole the package is unfair, regressive, and unwise. Let us consider tax relief guided by the principle of fairness, rather than by no principles at all.

Mr. UDALL of Colorado. Mr. Speaker, I cannot support this bill—but not because I oppose estate-tax relief, and not because I am sticking with my party leadership on a partisan basis.

First, I do not think taxes should be a simple partisan issue. For example, last week, I joined in supporting a Republican-authored proposal to eliminate the marriage penalty and increase the child credit.

And, I do support reducing estate taxes for everyone, and especially for family-owned ranches and farms as well as other small businesses.

I definitely think we should act to make it easier for everyone to pass their estates—including lands and businesses—on to future generations. This is important for the whole country, of course, but it is particularly important for Coloradans who want to help keep ranch lands in open, undeveloped condition by reducing the pressure to sell them to pay estate taxes.

Since I have been in Congress, I have been working toward that goal. I am convinced that it is something that can be achieved—but it should be done in a reasonable, fiscally responsible way and in a way that deserves broad bipartisan support.

That means it should be done in a better way than by enacting this Republican bill—a bill that is even less balanced, even less responsible than the one that President Clinton vetoed last year.

That is why I voted for the Democratic alternative.

That alternative bill would have provided real, effective relief without the excesses of the Republican bill. It would have raised the estate tax's special exclusion to $2 million for each and every person's estate—meaning to $4 million for a couple—and would have done so immediately.

So, under that alternative, a married couple—including but not limited to the owners of a ranch or small business—could pass on an estate worth up to $4 million could pass it on intact with no estate tax whatsoever.

Once you look closely at the Republican leadership's bill, you can see that the Democratic alternative actually would be much more helpful to everyone who might be affected by the estate tax.

That's because the Democratic alternative would have taken effect immediately—it would not have been phased in over a decade, like the Republican leadership's bill.

Further, the Democratic alternative would immediately apply equally to every estate—unlike the Republican bill, which would start by reducing estate tax rates for the very largest estates, and only fully apply to all estates 10 years from now.

In other words, under the Republican bill a couple passing on their estate in the near future would avoid more tax under the Democratic plan than under the Republican bill. They would not have to hope to live long enough to see the benefits of the Republican bill.

Further, the Republican bill actually has the potential to greatly increase taxes for many people, because it revises the rules for valuing assets that people inherit. Should that become law, it will mean, first, a great increase in the record-keeping and paperwork burden for many people and, second, higher capital-gains taxes for many heirs.

Evidently, those provisions—like the bill's very slow phase in—were included to make the bill appear to fit within the overall size of the President's tax plan.

But the result is that this bill's name—estate tax ''repeal''—is an empty slogan, a pretty label that disguises the reality.

The Democratic alternative was much more substantive—real reform, not just rhetoric.

And, the Democratic alternative was much more fiscally responsible. It would not run the same risks of weakening our ability to do what is needed to maintain and strengthen Social Security and Medicare, provide a prescription drug benefit for seniors, invest in our schools and communities, and pay down the public debt.

The net cost of the Democratic bill would be $40 billion over 10 years. In contrast, the Republican bill's 10-year revenue reduction will be $193 billion, with 45 percent of that coming in just the last 2 years. But that is far from the whole story. Because of the way the bill is phased in, its true cost is cleverly hidden and does not show up until after the 10-year budget window.

That means the full effects of the Republican bill will come just at the time when we will have to face budget pressures because

my own ''baby boom'' generation is starting to retire. And if we feel we need to ''phase in'' H.R. 8 because we cannot afford the full repeal now, how are we ever going to afford it 10 years from now?

We do not need to engage in this fiscal overkill.

According to the Treasury Department, under current law only 2 percent of all decedents have enough wealth to be subject to the estate tax at all.

To be more specific, Treasury Department data show that in 1998 the estates of only 743 Coloradans were subject to paying federal estate taxes.

Under the Democratic alternative, that number would have been even smaller. That's because the average Colorado gross estate for which an estate tax return was filed was $1.87 million—an amount that would be completely exempted by the Democratic bill for which I voted.

And I would support going even further. I have joined in sponsoring a bill—H.R. 759, introduced by Representative PATSY MINK from Hawaii—that would fully exempt estates of $5 million or less from estate taxes. Based on Treasury Department data, in 1998 that would have exempted all but 45 Colorado estates from paying any federal estate tax at all.

Of course, all these numbers only relate to the cases in which an estate tax was actually paid. Clearly, in many other cases families have taken actions to forestall the estate tax. But just as clearly, the Democratic bill would have greatly reduced the pressure that prompted some of those actions.

Mr. Speaker, I am very disappointed with the evident determination of the Republican leadership to insist on bringing this bill forward and to reject any attempt to shape a bill that could be supported by all Members.

Since I was first elected, I have sought to work with our colleagues on both sides of the aisle on this issue to achieve realistic and responsible reform of the estate tax.

I initially voted for an estate-tax bill in the last Congress, although it was far from what I would have preferred, hoping that as the legislative process continued it would be improved to the point that it deserved enactment. Unfortunately, that did not occur and the final bill was vetoed, as it should have been. And now the Republican leadership is insisting on going forward with this bill, which is even less balanced and responsible than that vetoed bill of the last Congress.

I cannot support that, and I cannot vote for this bill.

Mr. OTTER. Mr. Speaker, I rise today to urge my colleagues to join me in voting for H.R. 8, the ''Death Tax Elimination Act of 2001.'' As a cosponsor of this bill, I fully support eliminating the death tax. This bill keeps our promise to pass death tax relief as part of President Bush's budget plan.

The Death Tax Elimination Act of 2001 will eliminate the death tax over 10 years, without harming the surplus or raiding Social Security. In fact, the Heritage Foundation estimates that repealing the death tax will create 145,000 additional jobs in the 9 years after the tax is repealed. These employment gains will come, not just from the additional businesses that stay open because they don't have to be liquidated to pay tax, but also from the effect repealing the estate tax will have on keeping interest rates low.

The death tax is an egregious and punitive part of our Tax Code for every American, but it is especially hurtful to rural areas. The death tax forces farmers to sell land that has been in their families since pioneer days, and forces small businessmen to sell the companies that are often the only providers of their service in a community. Often these services are then filled, not from within the same community, but from providers in cities literally hundreds of miles away. To make matters worse, the capital generated from these sales flows out of the rural communities into large city banks and markets. In short, every dime wrenched out of rural Idaho by the estate tax causes many dollars worth of suffering.

I am glad that we will pass the death tax repeal today. It will provide a much needed stimulus for our economy, encourage family farming and small business formation, and restore much needed fairness to our Tax Code. I urge my colleagues to join me in voting for H.R. 8.

Mr. CRENSHAW. Mr. Speaker, as an original cosponsor of H.R. 8, I rise in strong support of this full repeal of the estate tax.

It has been discouraging, Mr. Speaker, to see this debate degenerate into a sort of class warfare. This is not about rich and poor. It is not about whether rich people deserve a tax break. It is not even about who pays the most in taxes. It is about fairness, plain and simple.

It is just unfair that any one should pay a 55-percent tax on their business, their home, or their farm. It is still more unfair that this enormous burden be placed on families just at the moment a loved one passes on. There is no time for bereavement, no time for grief. The taxman comes to the door of the funeral home and, as my local paper sees it, steals the pennies off a dead man's eyes.

We ought to be able to pass along more than just memories to our children. We work a lifetime to build a home, a business, a legacy that we can leave for our children. With the death tax, our children are forced to sell a part of that inheritance just to be able to afford the other part. And, Mr. Speaker, inheritance should not be a dirty word.

This is not for the wealthy few, as some would have us believe. According to the Treasury Department, 45,000 families paid estate taxes in 1999, and it is estimated that twice as many sold off their legacy before they died so that their families would not be saddled with this burden. That is just too much time and effort put into keeping our family businesses in the family.

I have spoken to many constituents who own small businesses in my district and want their children to carry on those enterprises in the future. These are the mom and pop shops that form the backbone of Main Street, America. What right have we to stand in their way with this unfair tax?

I urge my colleagues to support these businesses and to vote for this bill. Today, we will once and for all fully repeal the death tax.

Mr. GILMAN. Mr. Speaker, I rise today in strong support of H.R. 8, the Death Tax Elimination Act of 2001 and I urge my colleagues to lend this measure their support.

The estate tax is an outmoded policy that has long outlived its usefulness. Alternatively known as the death tax, this tax was instituted in 1916 to prevent too much wealth from congregating with the wealthy capitalist families in early 20th century America. Regrettably, the law failed in its original purpose, as the truly wealthy are always able to shelter their income with the help of tax attorneys which the middle-class cannot afford.

It has been estimated that the estate tax has been responsible for the demise of 85 percent of American small business by the third generation. Furthermore, countless number of farms have had to be sold in order to pay an outrageously high estate tax, ranging as high as 55 percent of the farms assessed value.

By forcing the sale of such farmland to outside buyers, often commercial developers, the estate tax has been a substantial contributor to suburban sprawl and unchecked growth in many parts of the country.

The most indefensible point about the estate tax, however, is the cost associated with enforcing and collecting it. Estimates cited in a Joint Committee on Taxation report issued last year placed the cost of collecting estate taxes at 65 cents out of every dollar taken in.

Considering this cost, as well as the fact that the assets taxed under the estate tax have often already been taxed several times, it makes no sense to continue this nonsensical practice. Family-owned small business certainly would do better without the estate tax, as would family farms that still operate from generation to generation.

Accordingly, I urge my colleagues to join in supporting this legislation.

Ms. BALDWIN. Mr. Speaker, I oppose H.R. 8, the Death Tax Elimination Act. While I support reform of the estate tax, full repeal provides benefits only to the wealthiest in our society. The vast majority of the people I represent will receive no benefit from this tax cut at all. According to the bi-partisan congressional Joint Tax Committee, fewer than two percent of all estates (about 48,000) pay the estate tax. In Wisconsin, only 828 estates had any estate tax liability in 1998.

I strongly believe it is time to deliver estate tax relief to Wisconsin family farms and small businesses. However, H.R. 8 isn't the way to do it. H.R. 8 would repeal the estate tax gradually over ten years at a cost of $192 billion. This legislation reduces the rates on the largest estates first while providing no tax relief to the majority of smaller estates. Estates of less than $2.5 million get no relief until 2004.

I support the Democratic alternative that provides estate tax relief targeted to family farms and small businesses. This alternative would cost a reasonable $40 billion over ten years, and includes an immediate $2 million exclusion from estate taxes ($4 million per couple) increasing to $2.5 million by 2010 ($5 million per couple). Two-thirds of all estates that pay tax under current law would be exempt, and 99.4 percent of all farms would also be exempt. H.R. 8 makes small businesses and family farmers wait for ten years.

I support this fiscally sensible alternative that targets relief to farmers and small businesspeople while protecting our ability to pay down the debt and shore up the long-term solvency of Social Security and Medicare.

Mr. BEREUTER. Mr. Speaker, this Member rises today to express his conditional support for H.R. 8, the ''Estate Tax Elimination Act.'' This Member's vote today for H.R. 8 is based only on his desire to move the inheritance tax reform process forward, for the current legislation is at worst a faulty product and at best only a shadow of what could be beneficially

done to reduce the inheritance tax burden on most Americans who now and in the future are actually subject to such taxes. Don't be confused, in its current form H.R. 8 is not the Bush tax cut plan! Supporters will argue it is, but that is emphatically not the case. Many of this Member's small business, farm, and ranch families would be better off with no bill, as if H.R. 8, in its current form, is passed into law, then they would end-up paying more taxes than if H.R. 8 had not been passed into law at all.

However, this Member does not support the complete repeal of the Federal inheritance tax. Nor does this Member support the focus of H.R. 8, as amended by the Ways and Means Committee, which is now concentrated initially on eliminating the top estate tax rates above 50 percent and only subsequently on lowering the marginal tax rates by only a few percentage points each year. Rather this Member believes that the only way to ensure that his Nebraska and all American small business, farm and ranch families benefit from estate tax reform is to dramatically and immediately increase the Federal inheritance tax exemption level.

This Member is a long-term advocate of inheritance tax reduction, especially in regard to protecting small businesses and family farms and ranches. This Member believes that inheritance taxes unfortunately do adversely and inappropriately affect Nebraskan small business and family farmers and ranchers when they attempt to pass this estate from one generation to the next.

Accordingly, to demonstrate this Member's very real support for inheritance tax reform, this Member on January 3, 2001, the first day of the 107th Congress, introduced the Estate Tax Relief Act (H.R. 42). This Member introduced this legislation, which currently has 28 cosponsors, after consulting with different Nebraska farm and business groups. This measure would provide immediate, essential Federal estate tax relief by immediately increasing the Federal estate tax exclusion to $10 million effective upon enactment. (With some estate planning, a married couple could double the value of this exclusion to $20 million. As a comparison, under the current law for year 2001, the estate tax exclusion is only $675,000.) In addition, H.R. 42 would adjust this $10 million exclusion for inflation thereafter. The legislation would decrease the highest Federal estate tax rate from 55 percent to 39.6 percent effective upon enactment, as 39.6 percent is currently the highest Federal income tax rate. Under the bill, the value of an estate over $10 million would be taxed at the 39.6 percent rate. Under current law, the 55 percent estate tax bracket begins for estates over $3 million. Finally, H.R. 42 would continue to apply the stepped-up capital gains basis to the estate, which is provided in current law.

Since this Member believes that H.R. 42 or similar legislation is the only way to provide true estate tax reduction for our nation's small business, farm and ranch families, this Member is also voting in support of the Rangel Substitute. This Member is supporting the Substitute for the following two reasons:

First, the Substitute provides an immediate increase in the exclusion from $675,000 to $2 million, or $4 million per couple with a modicum of estate planning, and phases-in a $2.5 million exclusion by 2002 (in $100,000 increments every other year);

Second, and very important, the Substitute retains current law which provides for a ''stepped-up basis,'' whereby the value of property transferred to an heir is based on its fair-market value at the time of the deceased's death, not at the time the deceased acquired the property. This allows an individual who inherits property to avoid paying capital gains taxes on the increased value of inherited property that occurred during the lifetime of the decedent.

At this point it should be noted that under H.R. 8, beginning in 2011, the ''stepped-up basis'' is eliminated (with two exceptions) such that the value of inherited assets would be ''carried-over'' from the deceased. Therefore, H.R. 8 could result in unfortunate tax consequences for some heirs as the heirs would have to pay capitals gains taxes on any increase in the value of the property from the time the asset was acquired by the deceased until it was sold by the heirs—resulting in a higher capital gain and larger tax liability for the heirs than under the current ''stepped-up'' basis law.

This Member also believes it would be a great political error and controversy to eliminate the inheritance tax on billionaires or mega-millionaires. Also, the very negative impact on the largest of the charitable contributions and the establishment of charitable foundations cannot be underestimated. The benefits of these foundations to American society are invaluable. Our universities and colleges, too, would see a very marked reduction in the gifts they receive if the inheritance tax on the wealthiest Americans was totally eliminated.

In a recent Congressional Research Service (CRS) Report to Congress, entitled, Estate and Gift Taxes: Economic Issues, it is noted that ''One group that benefits from the presence of an estate and gift tax is the non-profit sector, since charitable contributions can be given or bequeathed without paying tax.'' Furthermore, the CRS report notes that ''over 6 percent of assets of those filing estate tax returns are left to charities; 15 percent of the assets of the highest wealth class are left to charity.'' The CRS report also cites the results of a study by David Joulfaian, Estate Taxes and Charitable Bequests by the Wealth, National Bureau of Economic Research Working Paper 7663, April 2000, which found that charitable bequests are very responsive to the estate tax, and indeed that the charitable deduction is ''target efficient'' in the sense that it induces more charitable contributions than it loses in revenue.

Despite the legal talents the super-rich can afford, such an inheritance tax change would have major consequences. The total elimination of the inheritance tax is a bad idea.

Again, this Member's vote today for this legislation should be regarded only as a demonstration of his desire to move the inheritance tax reform process forward and of this Member's strong conviction that only by increasing dramatically and immediately the exemption level to the Federal inheritance tax will real estate tax reform be realized for middle class Americans.

Finally, Mr. Speaker, if H.R. 8 passes the House today, it goes to an uncertain future in the Senate. However, if the Senate does indeed pass H.R. 8 in its current form or similarly defective and damaging legislation and subsequently a conference report comes back to the House in that form, my responsibilities to represent my constituents and my moral responsibility will cause this Member to vote against it.

Ms. HARMAN. Mr. Speaker, today I am voting for two bills to revise the estate tax. Neither is a perfect answer, and my votes signify my eagerness to work with both parties to craft a bipartisan solution.

I support tax relief in the context of a responsible budget that ''spends'' our surplus wisely. Estate tax relief should be part of this budget.

The present estate tax system hurts small businesses and hard-working families in the South Bay and elsewhere and it needs to change.

We need immediate relief—not the promise of relief in 11 years, which is the essence of H.R. 8. We need a higher exemption—up to $4 million—which is the subject of a bipartisan letter I signed to President Bush. We should also consider the notion in H.R. 8 to subject appreciated property to capital gains tax—but we should do it in a way that does not impose new burdens on those presently exempt from estate tax.

This is a work in progress. I reserve judgment on the final product. Today, my votes signify my willingness to engage the conversation.

Mr. CASTLE. Mr. Speaker, I strongly support tax relief for all Americans. Broad based-tax relief this year should include significantly reducing the estate tax. Today, I am voting for immediate reform of the estate tax to protect families, small businesses and family farms. This plan would cut the estate tax by immediately increasing the exemption from $675,000 to $2 million for an individual and $4 million per couple in 2002 and increasing it to $2.5 million for an individual and $5 million per couple by 2010. I am voting for immediate relief from estates taxes to all those affected by it. This reform would exempt most Americans from any estate taxes.

We must act to continue to reduce the estate tax to protect small businesses and family farms. Yet, today's proposal to completely repeal the tax is not the best approach. First, we can provide immediate and broad relief from the estate tax to more Americans affected by exempting more families without completely repeal. Second, attempting to enact complete repeal at this time makes it more difficult to provide other tax relief for more Americans, including small businesses. The President's plan calls for $1.62 trillion in tax cuts in the next 10 years. This estate repeal proposal could jeopardize the entire tax relief and balanced budget plan.

This year I have voted with strong majorities in this House to reduce income tax rates for all Americans, provide marriage penalty relief, and increase the child tax credit. I want to provide more tax relief to Americans by allowing them to save more in IRA's, 401(k)a and other pensions. In addition, there are worthwhile proposals to reduce taxes by allowing more Americans to deduct their charitable contributions, increase education IRAs, expand deductibility of health care costs, and provide businesses with permanent credit for investing in research and development. It will be much more difficult to address these issues within our balanced budget plan if we insist on total repeal of the estate tax now. The current approach to estate tax repeal leaves far too little—only $70 billion over ten years—to cut taxes for millions of other Americans.

We should provide tax relief as soon as possible. As currently constructed, H.R. 8 would not repeal the estate tax until 2011. Until that time, the top estate tax rate will still be over 50 percent. We would help more families right away by increasing the estate tax exemption to $2.5 million for individuals and $5 million for a couple. We should also reduce the top rate. Unfortunately, today, we have a weaker proposal that delays repeal for ten years. Instead of a weak repeal proposal, we could have a plan that provides immediate relief within our budget limits.

All tax relief should help as many Americans as possible while maintaining our ability to pay down the debt and balance the budget. Today's proposal for complete repeal does not meet this test. It makes it more difficult to provide other tax relief and it would have a tremendous negative impact on the budget in 2011, just at the time we will need additional resources for the retiring Baby Boom generation.

Fortunately, today's debate is just one step in the legislative process. We can reduce the estate tax this year. I hope the political jockeying will end soon so we get down to negotiating a balanced tax relief plan that cuts the estate tax and that can pass Congress and be signed into law.

Mr. COYNE. Mr. Speaker, I support—and have voted in support of—estate tax relief, but I cannot support repeal of the estate tax. Moreover, even if my colleagues favor repeal of the estate tax, they should oppose H.R. 8. This is an irresponsible, inequitable, and misleading piece of legislation.

This bill is irresponsible because of the impact it will have on the federal budget. This legislation repeals the estate tax over time—over a long time. The repeal of the estate tax provided for in H.R. 8 doesn't fully phase in until 2011—about the time that the federal government's non-Social Security surpluses are projected to end. Does it make sense to cut federal receipts by over $60 billion a year just when the government is expected to run massive deficits—as the number of senior citizens on Social Security, Medicare, and Medicaid is expected to double and expenditures on those programs explode?

Obviously, it goes without saying that a tax cut that is not fully phased in for ten years will do little to stimulate the economy in the short term. The Democratic alternative—which I support, but which was rejected on a party-line vote in the Ways and Means Committee—would, in contrast, provide immediate relief to farmers and small family businesses.

And that brings me to another important point. H.R. 8, by phasing in repeal of the estate tax over such a long period of time, conceals the actual cost of repealing the estate tax. I consider this to be a fairly dishonest tactic, but it is of a piece with the Republican plan for enacting President Bush's tax cut plan. By breaking the larger package of tax cuts into smaller, less threatening bills, and passing them before we ever see the spending cuts that President Bush will propose to pay for them, the Administration and Congressional Republicans are, in my opinion, being deceptive, dishonest, and irresponsible. As I have mentioned in my previous floor statements on H.R. 3 and H.R. 6, I support fair and responsible reductions in marginal tax rates, as well as legislation to fix the marriage penalty. And I support estate tax relief for family farms and small businesses. But I believe that such major changes in tax law should not be considered piecemeal, but rather in the context of thoughtful, comprehensive, and honest debate on federal spending and tax policy in the coming decades. I believe that the intent behind the long phase-in of the estate tax repeal—like the phase-ins in the other Republican tax cut bills—is to conceal the true cost of these tax cuts and obscure the trade-offs that enactment of these tax cuts will require.

Finally, I want to explain why I oppose repeal of the estate tax. As it is currently structured, the estate tax affects only the most affluent 2 percent of households—and when the changes in the estate tax that Congress passed with my support in 1997 are fully phased in, the estate tax will only affect taxpayers with more than $1 million in assets and married couples with more than $2 million in assets. Repeal of the estate tax would seriously reduce the progressivity of the federal tax code, which already places as much of a burden on middle class families as it does on the wealthiest families in America. I see such an outcome as fundamentally unfair. I believe that if Congress is going to pass a $200 billion tax relief bill today, it should provide tax relief to the families that are most in need of tax relief—families with incomes of $15,000, $25,000, or $40,000—not millionaires.

Consequently, I must oppose this legislation, and I will support the Democratic alternative for estate tax relief—a smaller, more responsible package of tax cuts that would help the small family farms and businesses that the Republicans always mention when arguing for estate tax relief. The Democratic alternative does more to help farmers and family businesses over the next 5 years than the Republican bill. I urge my colleagues to support this alternative.

Mr. MANZULLO. Mr. Speaker, I rise in strong support of today's bill, the ''Death Tax Elimination Act'', H.R. 8.

This bill would end one of the most burdensome taxes in the federal tax code-the death tax, by repealing estate and gift taxes over the next ten years. The death tax stifles growth, kills jobs, discourages savings, drains resources, and ruins small and family businesses and farms.

In effect, the death tax punishes small entrepreneurs for their hard work. Millions of Americans spend a lifetime working and investing in a small business or family farm for their families and for their communities—only to have the IRS confiscate more than half of it away at their death. This is a terrible injustice. Unreasonably steep death taxes force families to sell or break up small ventures and farms or to liquidate assets.

Two examples in my district alone include the Beuth and Hall families. Richard and Judy Beuth of Seward, Illinois almost lost the family farm three years ago when Richard's father died and the IRS hit them with a huge $185,000 death tax bill. Similarly, the Hall family in Ogle County had to sell equipment, sell part of their land, and take out huge loans to pay a whopping $2.7 million death tax bill they received shortly after their father died in 1996.

Unambiguously, the death tax is hurting middle-class Americans. The great irony of this tax is that it encourages frivolous, selfish spending and discourages savings and investment. Over 80% of small businesses must spend costly resources to protect against the death tax so they can pass something on to their children. This hurts women-owned and minority-owned small businesses the hardest.

According to the Center for the Study of Taxation, 70% of family businesses don't survive through the second generation and nearly 90% do not make it through the third. Worse, 9 out of 10 successors whose family business failed within three years of the death of the original owner said difficulty paying the death tax played a major role in that failure. It's time to end this immoral and counterproductive tax.

I urge all my colleagues to support small business by supporting this common sense, bipartisan legislation.

Mr. GRAVES. Mr. Speaker it is time that we kill the death tax. Many of my colleagues and many in the media have argued that this tax is justified because it only affects the wealthy—well, Mr. Speaker, that is wrong. The victims who are hit the hardest by this tax are the family members of middle-class, hard-working Americans—small business owners and employees, family farmers and ranchers. The Death tax penalizes the sons and daughters of the local hardware store owners, farmers, and grocers the most. The Death Tax punishes those who spend their lifetime building a small business or running a farm in the sincere hope that they will be able to leave the fruits of that labor to their children and grandchildren.

When a small business owner of farmer passes, too often the business or farm must be divided, sold, or shut down, because the tax penalty is so great. The loss of that small business is devastating to the employees and to the local community.

For the small businesses and family farmers in the 6th District of Missouri, I am proud to support the Death Tax Elimination Act. The Death Tax is not an issue of politics or partisanship, but rather, it is an issue of fairness, family, community and keeping the American Dream alive for the children and grandchildren of this nation.

Mr. LANGEVIN. Mr. Speaker, I rise today in strong opposition to H.R. 8, the Death Tax Elimination Act. However, as a member of the Small Business Committee, I am aware of the tax burden under which many entrepreneurs and working families must operate, which is why I plan to vote for the Democratic substitute. I support efforts to protect small business owners and will work to ensure that they are not forced to sell businesses that have remained in their families for generations in order to pay estate taxes.

Unfortunately, H.R. 8 does not effectively target the small businesses and family farms that are in greatest need of assistance. It would allow the wealthiest two percent of our population to pass wealth to their heirs without taxation, while hard working families would continue to be taxed on every dollar earned. It would also have a devastating impact on charities, foundations, universities and other philanthropic organizations. This legislation would cause enormous revenue losses and threaten our ability to address national priorities like extending the solvency of Social Security and Medicare, reducing our national debt, implementing a prescription drug benefit for seniors and improving education and health care.

As the third installment of President Bush's $1.6 trillion tax cut package, H.R. 8 would gradually reduce and then fully repeal the estate tax over a ten-year period. The Joint

Committee on Taxation has estimated that this measure would reduce revenues by more than $192 billion over the next decade. Moreover, repealing the estate tax will cost states about $6 billion annually, possibly forcing them to make up the revenue through other tax or fee increases. Perhaps most important of all, the benefit of H.R. 8 to my constituents would be minimal.

Based on Internal Revenue Service data for 1998, estimates show that of 10,000 deaths in my home state, only 361 Rhode Island decedents filed estate tax returns and only 187 returns resulted in an estate tax liability. In a similar study that same year, the IRS also found that only two percent of decedents nationwide—or 47,483 estates—were impacted by the federal estate tax. In fact, 3,000 of the most affluent individuals in the country paid more than half of all the estate taxes that year.

If we are truly concerned about the small business owners and family farmers who are adversely affected by the estate tax, we should pass the Democratic substitute. This sensible reform would immediately exclude over 75 percent of estates by increasing the exemption to $2 million per individual and $4 million per couple. As a result, only ½ of one percent of all decedents would pay the estate tax. Additionally, 99 percent of all farms would be exempt. Under our proposal, those eligible middle-income families, small business owners and family farmers truly in need would receive estate tax relief. Furthermore, they would receive the benefit now, rather than waiting years for relief, as required under the Republican plan.

This measure, included with the tax cut plan and budget resolution already passed by the House, would exceed the projected budget surplus and require deep cuts in non-defense discretionary funding. Therefore, I urge my colleagues to vote against this fiscally irresponsible measure and support the Democratic substitute. It ensures that small businesses and family farms can be preserved from one generation to the next, while retaining some of our budget surplus to pay down the debt, ensure the solvency of Social Security and Medicare, and allocate critical funding for our national priorities.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore (Mr. LAHOOD). The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. RANGEL:

Strike all after the enacting clause and insert the following:

SECTION 1. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. INCREASE IN EXEMPTION EQUIVALENT OF UNIFIED CREDIT.

(a) IN GENERAL.—Subsection (c) of section 2010 (relating to applicable credit amount) is amended by striking the table and inserting the following new table:

"In the case of estates of decedents dying, and gifts made, during:	**The applicable exclusion amount is:**
2002	$2,000,000
2003 and 2004	$2,100,000
2005 and 2006	$2,200,000
2007 and 2008	$2,300,000
2009	$2,400,000
2010 or thereafter	$2,500,000.''

(b) REPEAL OF SPECIAL BENEFIT FOR FAMILY-OWNED BUSINESS INTERESTS.—

(1) Section 2057 is hereby repealed.

(2) Paragraph (10) of section 2031(c) is amended by inserting ''(as in effect on the day before the date of the enactment of this parenthetical)'' before the period.

(3) The table of sections for part IV of subchapter A of chapter 11 is amended by striking the item relating to section 2057.

(c) CORRECTION OF TECHNICAL ERROR AFFECTING LARGEST ESTATES.—Paragraph (2) of section 2001(c) is amended by striking ''$10,000,000'' and all that follows and inserting ''$10,000,000. The amount of the increase under the preceding sentence shall not exceed the sum of the applicable credit amount under section 2010(c) and $359,200.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2001.

SEC. 3. CREDIT FOR STATE DEATH TAXES REPLACED WITH DEDUCTION FOR SUCH TAXES.

(a) REPEAL OF CREDIT.—Section 2011 (relating to credit for State death taxes) is hereby repealed.

(b) DEDUCTION FOR STATE DEATH TAXES.—Part IV of subchapter A of chapter 11 is amended by adding at the end the following new section:

''SEC. 2058. STATE DEATH TAXES.

''(a) ALLOWANCE OF DEDUCTION.—For purposes of the tax imposed by section 2001, the value of the taxable estate shall be determined by deducting from the value of the gross estate the amount of any estate, inheritance, legacy, or succession taxes actually paid to any State or the District of Columbia, in respect of any property included in the gross estate (not including any such taxes paid with respect to the estate of a person other than the decedent).

''(b) PERIOD OF LIMITATIONS.—The deduction allowed by this section shall include only such taxes as were actually paid and deduction therefor claimed within 4 years after the filing of the return required by section 6018, except that—

''(1) If a petition for redetermination of a deficiency has been filed with the Tax Court within the time prescribed in section 6213(a), then within such 4-year period or before the expiration of 60 days after the decision of the Tax Court becomes final.

''(2) If, under section 6161 or 6166, an extension of time has been granted for payment of the tax shown on the return, or of a deficiency, then within such 4-year period or before the date of the expiration of the period of the extension.

''(3) If a claim for refund or credit of an overpayment of tax imposed by this chapter has been filed within the time prescribed in section 6511, then within such 4-year period or before the expiration of 60 days from the date of mailing by certified mail or registered mail by the Secretary to the taxpayer of a notice of the disallowance of any part of such claim, or before the expiration of 60 days after a decision by any court of competent jurisdiction becomes final with respect to a timely suit instituted upon such claim, whichever is later.

Refund based on the deduction may (despite the provisions of sections 6511 and 6512) be made if claim therefor is filed within the period above provided. Any such refund shall be made without interest.''

(c) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 2012 is amended by striking ''the credit for State death taxes provided by section 2011 and''.

(2) Subparagraph (A) of section 2013(c)(1) is amended by striking ''2011,''.

(3) Paragraph (2) of section 2014(b) is amended by striking '', 2011,''.

(4) Sections 2015 and 2016 are each amended by striking ''2011 or''.

(5) Subsection (d) of section 2053 is amended to read as follows:

''(d) CERTAIN FOREIGN DEATH TAXES.—

''(1) IN GENERAL.—Notwithstanding the provisions of subsection (c)(1)(B) of this section, for purposes of the tax imposed by section 2001, the value of the taxable estate may be determined, if the executor so elects before the expiration of the period of limitation for assessment provided in section 6501, by deducting from the value of the gross estate the amount (as determined in accordance with regulations prescribed by the Secretary) of any estate, succession, legacy, or inheritance tax imposed by and actually paid to any foreign country, in respect of any property situated within such foreign country and included in the gross estate of a citizen or resident of the United States, upon a transfer by the decedent for public, charitable, or religious uses described in section 2055. The determination under this paragraph of the country within which property is situated shall be made in accordance with the rules applicable under subchapter B (sec. 2101 and following) in determining whether property is situated within or without the United States. Any election under this paragraph shall be exercised in accordance with regulations prescribed by the Secretary.

''(2) CONDITION FOR ALLOWANCE OF DEDUCTION.—No deduction shall be allowed under paragraph (1) for a foreign death tax specified therein unless the decrease in the tax imposed by section 2001 which results from the deduction provided in paragraph (1) will inure solely for the benefit of the public, charitable, or religious transferees described in section 2055 or section 2106(a)(2). In any case where the tax imposed by section 2001 is equitably apportioned among all the transferees of property included in the gross estate, including those described in sections 2055 and 2106(a)(2) (taking into account any exemptions, credits, or deductions allowed by this chapter), in determining such decrease, there shall be disregarded any decrease in the Federal estate tax which any transferees other than those described in sections 2055 and 2106(a)(2) are required to pay.

''(3) EFFECT ON CREDIT FOR FOREIGN DEATH TAXES OF DEDUCTION UNDER THIS SUBSECTION.—

''(A) ELECTION.—An election under this subsection shall be deemed a waiver of the right to claim a credit, against the Federal estate tax, under a death tax convention with any foreign country for any tax or portion thereof in respect of which a deduction is taken under this subsection.

''(B) CROSS REFERENCE.—

''See section 2014(f) for the effect of a deduction taken under this paragraph on the credit for foreign death taxes.''

(6) Subparagraph (A) of section 2056A(b)(10) is amended—

(A) by striking ''2011,'', and

(B) by inserting ''2058,'' after ''2056,''.

(7)(A) Subsection (a) of section 2102 is amended to read as follows:

''(a) IN GENERAL.—The tax imposed by section 2101 shall be credited with the amounts

determined in accordance with sections 2012 and 2013 (relating to gift tax and tax on prior transfers).''

(B) Section 2102 is amended by striking subsection (b) and by redesignating subsection (c) as subsection (b).

(C) Section 2102(b)(5) (as redesignated by subparagraph (B)) and section 2107(c)(3) are each amended by striking ''2011 to 2013, inclusive,'' and inserting ''2012 and 2013''.

(8) Subsection (a) of section 2106 is amended by adding at the end the following new paragraph:

''(4) STATE DEATH TAXES.—The amount which bears the same ratio to the State death taxes as the value of the property, as determined for purposes of this chapter, upon which State death taxes were paid and which is included in the gross estate under section 2103 bears to the value of the total gross estate under section 2103. For purposes of this paragraph, the term 'State death taxes' means the taxes described in section 2011(a).''

(9) Section 2201 is amended—

(A) by striking ''as defined in section 2011(d)'', and

(B) by adding at the end the following new flush sentence:

''For purposes of this section, the additional estate tax is the difference between the tax imposed by section 2001 or 2101 and the amount equal to 125 percent of the maximum credit provided by section 2011(b), as in effect before its repeal by the Tax Reduction Act of 2001.''

(10) Paragraph (2) of section 6511(i) is amended by striking ''2011(c), 2014(b),'' and inserting ''2014(b)''.

(11) Subsection (c) of section 6612 is amended by striking ''section 2011(c) (relating to refunds due to credit for State taxes),''.

(12) The table of sections for part II of subchapter A of chapter 11 is amended by striking the item relating to section 2011.

(13) The table of sections for part IV of subchapter A of chapter 11 is amended by adding at the end the following new item:

''Sec. 2058. State death taxes.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2001.

SEC. 4. VALUATION RULES FOR CERTAIN TRANSFERS OF NONBUSINESS ASSETS; LIMITATION ON MINORITY DISCOUNTS.

(a) IN GENERAL.—Section 2031 (relating to definition of gross estate) is amended by redesignating subsection (d) as subsection (f) and by inserting after subsection (c) the following new subsections:

''(d) VALUATION RULES FOR CERTAIN TRANSFERS OF NONBUSINESS ASSETS.—For purposes of this chapter and chapter 12—

''(1) IN GENERAL.—In the case of the transfer of any interest in an entity other than an interest which is actively traded (within the meaning of section 1092)—

''(A) the value of any nonbusiness assets held by the entity shall be determined as if the transferor had transferred such assets directly to the transferee (and no valuation discount shall be allowed with respect to such nonbusiness assets), and

''(B) the nonbusiness assets shall not be taken into account in determining the value of the interest in the entity.

''(2) NONBUSINESS ASSETS.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'nonbusiness asset' means any asset which is not used in the active conduct of 1 or more trades or businesses.

''(B) EXCEPTION FOR CERTAIN PASSIVE ASSETS.—Except as provided in subparagraph (C), a passive asset shall not be treated for purposes of subparagraph (A) as used in the active conduct of a trade or business unless—

''(i) the asset is property described in paragraph (1) or (4) of section 1221(a) or is a hedge with respect to such property, or

''(ii) the asset is real property used in the active conduct of 1 or more real property trades or businesses (within the meaning of section 469(c)(7)(C)) in which the transferor materially participates and with respect to which the transferor meets the requirements of section 469(c)(7)(B)(ii).

For purposes of clause (ii), material participation shall be determined under the rules of section 469(h), except that section 469(h)(3) shall be applied without regard to the limitation to farming activity.

''(C) EXCEPTION FOR WORKING CAPITAL.—Any asset (including a passive asset) which is held as a part of the reasonably required working capital needs of a trade or business shall be treated as used in the active conduct of a trade or business.

''(3) PASSIVE ASSET.—For purposes of this subsection, the term 'passive asset' means any—

''(A) cash or cash equivalents,

''(B) except to the extent provided by the Secretary, stock in a corporation or any other equity, profits, or capital interest in any entity,

''(C) evidence of indebtedness, option, forward or futures contract, notional principal contract, or derivative,

''(D) asset described in clause (iii), (iv), or (v) of section 351(e)(1)(B),

''(E) annuity,

''(F) real property used in 1 or more real property trades or businesses (as defined in section 469(c)(7)(C)),

''(G) asset (other than a patent, trademark, or copyright) which produces royalty income,

''(H) commodity,

''(I) collectible (within the meaning of section 401(m)), or

''(J) any other asset specified in regulations prescribed by the Secretary.

''(4) LOOK-THRU RULES.—

''(A) IN GENERAL.—If a nonbusiness asset of an entity consists of a 10-percent interest in any other entity, this subsection shall be applied by disregarding the 10-percent interest and by treating the entity as holding directly its ratable share of the assets of the other entity. This subparagraph shall be applied successively to any 10-percent interest of such other entity in any other entity.

''(B) 10-PERCENT INTEREST.—The term '10-percent interest' means—

''(i) in the case of an interest in a corporation, ownership of at least 10 percent (by vote or value) of the stock in such corporation,

''(ii) in the case of an interest in a partnership, ownership of at least 10 percent of the capital or profits interest in the partnership, and

''(iii) in any other case, ownership of at least 10 percent of the beneficial interests in the entity.

''(5) COORDINATION WITH SUBSECTION (b).—Subsection (b) shall apply after the application of this subsection.

''(e) LIMITATION ON MINORITY DISCOUNTS.—For purposes of this chapter and chapter 12, in the case of the transfer of any interest in an entity other than an interest which is actively traded (within the meaning of section 1092), no discount shall be allowed by reason of the fact that the transferee does not have control of such entity if the transferee and members of the family (as defined in section 2032A(e)(2)) of the transferee have control of such entity.''

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

SEC. 5. EXPANSION OF ESTATE TAX RULE FOR CONSERVATION EASEMENTS.

(a) REPEAL OF LOCATION REQUIREMENT.—Subparagraph (A) of section 2031(c)(8) (defining land subject to a conservation easement) is amended by striking clause (i) and redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively.

(b) CLARIFICATION OF DATE FOR DETERMINING VALUE OF LAND AND EASEMENT.—Section 2031(c)(2) (defining applicable percentage) is amended by adding at the end the following new sentence: ''The values taken into account under the preceding sentence shall be such values as of the date of the contribution referred to in paragraph (8)(B).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2000.

Amend the title so as to read: ''A bill to amend the Internal Revenue Code of 1986 to provide estate tax relief.''.

The SPEAKER pro tempore. Pursuant to House Resolution 111, the gentleman from New York (Mr. RANGEL) and the gentleman from California (Mr. THOMAS) each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. GREEN).

Mr. GREEN of Texas. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding the time to me.

Mr. Speaker, I thought it was appropriate that our colleague from California (Mr. WAXMAN) talked about this, that what we are talking about today is the people's money, and it is the gold.

Mr. Speaker, I rise in opposition to H.R. 8 and in support of the substitute. And like my colleagues, I am troubled by the stories that families have to sell their farms and businesses because they cannot afford the estate tax; but we must reform it now, and not 10 years from now. We must continue the long-standing American tradition of families passing their businesses on from generation to generation.

We can do this in a financially responsible manner that alleviates the burden for most of those small businesses and farms now instead of 10 years from now. Again, my Republican colleagues would have us repeal the estate tax 10 years from now.

They support this bill we are talking about today. There is an east Texas saying that says it is called a wink, a prayer and a promise that is 10 years from now. That is all this is, Mr. Speaker.

In 10 years, this bill would provide tax relief for still less than 2 percent of the people. Let us have a tax cut for the other 98 percent of Americans not 10 years from now.

Mr. THOMAS. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I listened carefully to my colleague from California (Mr. WAXMAN), who has come up with a clever idea of awarding a pot painted gold, for whatever particular reason, that he believes serves his particular purposes.

However, what I did hear the gentleman say, though, was that he rose in

opposition to the Republican measure. I am sure the gentleman, who is not on the floor now, was probably not on the floor earlier when the cosponsor of H.R. 8, a Democrat, spoke in opposition to that.

There are a number of other Democrats who are interested in the repeal of the estate or death tax, not in some modification.

Mr. Speaker, to make sure that Members understand that this is a bipartisan proposal, I yield 2½ minutes to the gentleman from Hawaii (Mr. ABERCROMBIE).

(Mr. ABERCROMBIE asked and was given permission to revise and extend his remarks.)

Mr. ABERCROMBIE. Mr. Speaker, for those who do not think about this every day when they get up, this debate may seem rather esoteric and a bit almost beside the point; but for those of our constituents who are concerned about this issue, let me tell my colleagues, they think about it every day. They think about it all the time. They think about it in terms that are very, very personal to them.

I do not think that I have ever involved myself with a domestic issue that has had the same kind of impact personally, psychologically, and emotionally as this issue has had with my constituents. People that I have known personally in the islands for the better part of four decades, many of whom have not agreed with me philosophically, ideologically in terms of politics are united around this issue. And the fact that it may not provide every aspect, every element that they would like to see in terms of immediacy; the fact that they will have to come to grips with capital gains taxation that they might not otherwise have anticipated; and the fact that they understand that this bill is in a process of becoming that what passes today is unlikely to be the final answer, that some of the immediacy that is involved in the substitute that the gentleman from New York (Mr. RANGEL) and others have put together in good faith may become part of the equation.

Those facts, yes, enter into it; but fundamentally, what they want is the passage of this bill, and they want to be able to see and say who is on their side on this. And I am afraid that our substitute, the amendment, as such, despite its good intentions, will not measure in that regard.

The other aspect of this that is very, very important and what hit me so hard is that this is a jobs bill. We tend not to look at that aspect of it. Businesses which have to be sold in order to meet the estate tax burden involve dozens, sometimes hundreds of people whose jobs, whose welfare, whose obligations, whose responsibilities are put in jeopardy. I do not think we can do that.

This is involved with families. This is involved in a way that people have a tremendous emotional commitment to, and I think as Democrats and Republicans we need to respond to it with an overwhelming vote in favor of the estate tax repeal.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think the gentleman from California (Mr. THOMAS), chairman of my Committee on Ways and Means, is right. There are some Republicans, some Democrats that are emotionally involved with the concept of repeal, even if it does take place a decade from now, but the gentleman should know that a handful of donkeys running with a herd of elephants does not make a bipartisan bill.

Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from California (Ms. ESHOO).

Ms. ESHOO. Mr. Speaker, I want to thank the gentleman from New York (Mr. RANGEL), our distinguished ranking member, for yielding the time to me.

Mr. Speaker, I support estate tax relief, and I think the American people deserve it, and they deserve it now.

The substitute is practical. It is immediate, and it is fiscally responsible at $40 billion over 10 years. It includes a $4 million exclusion for couples; and in California this eliminates the estate tax on all but 7 percent of California estates.

The Republican plan does not provide any real tax relief for 10 years, and I do not think people want to wait. Forty-five percent of the estate tax cut will not arrive until 2010 and 2011. At $200 billion, it is outrageously expensive.

When combined with the tax cuts already rammed through the House, we are already over $2 trillion in spending just on tax cuts alone. Where is the money to pay down the national debt, shore up our responsibilities for Social Security and Medicare and improve our Nation's schools?

Finally, and perhaps the biggest poison in the Republican plan, is that it will actually increase taxes for many families by adding a capital gains tax upon the inheritance of assets. This is the wrong way to go.

We should have it today. We should have it now. It should be affordable. That is exactly what this plan is.

Mr. THOMAS. Mr. Speaker, I yield 2½ minutes to the gentleman from Texas (Mr. BRADY), a member of the Committee on Ways and Means, who wants to have repeal of the estate tax rather than something less.

Mr. BRADY of Texas. Mr. Speaker, I want to thank the gentleman from California (Mr. THOMAS), chairman of the Committee on Ways and Means, for yielding the time to me.

My Democratic colleagues are right, we do not immediately start repeal of the death tax. This repeal is very graduated. It starts fairly slow, and it grows as we pay down more and more of the debt and as our surpluses grow; that is the responsible way to provide tax relief, while keeping our budget in order and keeping our economy growing.

The fact of the matter is there are a lot of reasons to support repeal of the death tax. Let me tell my colleagues one of mine. In my district, I had a local nursery come to me here in my office in Washington; they traveled all the way up here from Texas. They have three children. In the nursery, two of them have worked there ever since their parents founded it.

They sat down just at a desk around a table, just worked through the numbers on how the death tax and how the tax affected them; and as we worked through it, it became clear what happens with this tax and how it affects our small businesses and our family farms. Basically, when the numbers were finished, they showed that if they could afford enough life insurance on their parents and if they could get a bank loan, they might be able to keep their own family business.

Mr. Speaker, think about what they are saying. If we can make enough money off of our parents' death and if we can go back in to debt, which they had worked their whole life to get out of, they might be able to keep their own family business.

The death tax is wrong. It has been ruining lives for four generations in America, and it is time to stop it. There is a difference, though, between the Democratic proposal and the Republicans. Ours goes with the principles that it is flat wrong. Theirs keeps it and keeps it for another principle, that Washington should pick winners and losers in our Tax Code.

In their bill, we say to some family farms, you are our type, you win; but to others and to the family grocery store in the same community, you lose.

They say to the print shop in the community that is family owned, you win; but to the family newspaper right next to it, you lose. You are not our type.

Washington has been picking winners and losers for far too long. We need to be at the least fair, and that is why complete responsible repeal of the death tax is the right thing to do.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. BENTSEN).

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Speaker, I rise in support of the Rangel substitute and opposition to the underlying bill. We have heard a lot of rhetoric on both sides about this and about the repeal.

The bottom line is we can make a decision today that is a practical public policy decision, or we can make a political decision. The political decision would be to pass H.R. 8 and hope that in 10 years or 11 years that the estate tax will be repealed; and the reason that is being put forth is because the repeal of the estate tax costs far more than the President thought it would, far more than our Republicans colleagues thought it would; and to make their budget work, they had to shoehorn this bill in.

Mr. Speaker, on the other hand, we can pass immediate relief today, raise the exemption to $4 million for most families going up by 2010 to $5 million, but $4 million beginning January 1, that will exempt down to 1 percent of all estates subject to any estate tax as opposed to the 2 percent of all estates that are subject to any estate tax.

I have to say to my colleague from Hawaii (Mr. ABERCROMBIE), I appreciate the fact of what family businesses have to go through; but there are 98 percent of other Americans who wake up every day trying to figure out how they are going to pay the bills, and we ought to think about them as well.

Mr. Speaker, I rise in strong opposition to H.R. 8, an ill-conceived, extraordinarily back-loaded measure that sacrifices fiscal prudence for political gains. We can fix the estate and gift tax while maintaining fiscal responsibility, and we should. But H.R. 8 is not the way to do it.

First of all, I would note that the proponents of H.R. 8 have been incredibly successful at convincing a great number of Americans that their estates will be taxed upon their death. Actually, as a result of existing exemptions, the estate tax only applies to fewer than 2% of all estates annually, according to the Joint Committee on Taxation (JCT). Current law exempts from federal tax all estates valued up to $675,000 in 2000. This exemption will rise to $1,000,000 by 2006, with any federal estate tax applying only to the current value in excess of this amount. For closely-held businesses and farms, this exemption is $2.6 million. Additionally, family farms are exempt from any tax for ten years if the heirs continue to operate the farm. Estates passed onto a spouse are not subject to tax.

Even with the small number of estates subjected to the estate tax, I agree and have consistently voted to significantly raise the exemption and eliminate the estate tax against most estates currently subject to such taxes. And, today the House can do just that by supporting not H.R. 8, but rather the Rangel substitute. In fact, by adopting the Rangel substitute the House could provide more relief to more estates, more quickly and more fairly than H.R. 8. Unlike H.R. 8, which is more of a charade than a solution, the Rangel substitute would immediately increase the exemption for all estates to $4 million in January 1, 2002 and raise the exemption to $5 million in 2010. Furthermore, unlike H.R. 8, the Rangel alternative would maintain the ''step up'' basis to preclude capital gains taxes from being applied.

Alternatively, H.R. 8 would do little, if anything, for estate tax relief until 2012. This bill is part of an elaborate charade supporting the Majority's budget folly which is driven by politics rather than policy. Between 2001 and 2011, H.R. 8 does not increase the exemption more than current law and only modestly cuts rates. When repeal is finally achieved in 2012, the bill would also repeal the ''step up'' basis, subjecting many estates, particularly non-liquid estates such as farms and small businesses, to large capital gains taxes and, in some cases, more than the estate tax owed under current law.

Mr. Speaker, H.R. 8 not only falsely-promises relief but its back-loaded nature camouflages the true costs of repealing the estate tax. As a result of its delayed repeal, the cost of the bill would jump from zero in 2002 and $13 billion in 2006 to $35 billion in 2010 and $52 billion in 2011, which is still well below the full cost. Further, because under the H.R. 8, the cost of repeal would not occur until the very end of the initial ten-year period, the $193 billion revenue loss resulting from the bill over the first ten years includes little of the revenue loss resulting from income tax avoidance that would ultimately occur.

During the second ten years (2012 to 2021), H.R. 8 would result in revenue losses totaling approximately $1.3 trillion, six times greater than the $193 billion cost in the first ten years. Looked at another way, the cost of H.R. 8 would nearly triple between the fifth and ninth years, jump another 50 percent between the ninth and tenth years, and continue growing after the tenth year. It is interesting to note that if H.R. 8 was to take effect this year, the JCT projects that the ten-year cost of the bill would be a whopping $662 billion. Thus, over twenty years, the total cost of H.R. 8, including extra interest, will be more than $1.5 trillion. Where does the Majority propose to make up the difference? How do they propose to pay for other priorities like Medicare, Social Security and improvements to education? It is fiscally irresponsible to enact this measure without identifying how these lost revenues will be recouped.

Mr. Speaker, I, therefore, urge those of my colleagues who are committed to providing immediate estate tax relief, particularly for small businesses and farms, to reject H.R. 8 and support the Rangel alternative. By supporting the Rangel substitute, you will be voting to not only double the exemption to $4 million now, not in 2012. You will be voting to maintain the ''step up'' basis and protect decedents from high capital gains taxes. And you will be voting for tax relief which is both fair and prudent without endangering our commitment to fiscal responsibility.

Mr. THOMAS. Mr. Speaker, I yield 1½ minutes to the gentleman from New York (Mr. HOUGHTON), a member of the Committee on Ways and Means.

Mr. HOUGHTON. Mr. Speaker, no bill is perfect; and we always have ways of trying to change legislation. I hate to be an ''aginner,'' and I do not mean to be a nitpicker, but every so often something just does not feel right, so I tend to vote not only against H.R. 8, but also against the Democratic substitute; and what I would like to do is explain why.

I think the eradication of the estate tax is wrong. I am sort of the camp of mend it, do not end it. And by ending it, what we do is we bring down upon ourselves, I think, a lot of unseen conveniences.

Let me give you an example. What are the incentives to giving to churches? What are the incentives of giving to educational institutions? What are the incentives of our total giving that is so intertwined with the concept of our taxation system the way we have it now?

Also when you buy a life insurance policy, you are looking for certainty; you are looking for predictability. The changes in that could be really horrendous.

Also, I really feel that it is not within the spirit of the Founding Fathers to develop sort of a leisure class, people with little incentive to work because you pass money down from one generation to the other to another, absolutely whole cloth.

While H.R. 8 is overkill, I feel a Democratic substitute is not right because it does not take into account the reduction in rates.

□ 1345

If we are really going to help the small farmers or the small businessmen or the people who are working, we have to reduce those rates. So I reluctantly oppose both bills.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. ROEMER), an outstanding Member of the House of Representatives.

Mr. ROEMER. Mr. Speaker, I thank my good friend, the gentleman from New York, for yielding me this time.

Mr. Speaker, I think the death tax is unwise, it is unfair, and really it is un-American. We need to reform it, but we need to do it now, and we need to do it fairly.

Under the proposal by the Republicans, the death tax would be phased out in the year 2011. Now, that means President Bush would have to finish out this term, his next term, get a constitutional amendment, and in the third year of his third term, the death tax might be gone. Members of Congress will have to run five times in order to tell their constituents by the year 2011 the death tax is finally gone.

Secondly, I voted last week for a bipartisan repeal of the marriage penalty and for a doubling of the child tax credit. I am for tax cuts that will fit in the package of responsible tax relief. We need to do it by giving relief to our farmers and small businesses, not to Ted Turner and Bill Gates.

I encourage my colleagues as a start to vote for the Rangel bill that, though not perfect, is a step in the right direction toward reform of the death tax.

Mr. THOMAS. Mr. Speaker, I yield myself 30 seconds. I wish to tell my friend from Indiana that I ran 10 times before I was given the ability to vote on a measure to repeal the death tax. So it took us a long time to get here. I might say it also required a change in the majority in the House of Representatives to reach this point.

I also want to note for the record that the Chronicle of Philanthropy found that the elimination of the death tax would result in a 63 percent increase in charitable giving because people would be willing to donate more if the tax man took less.

Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky (Mr. FLETCHER).

Mr. FLETCHER. Mr. Speaker, I appreciate the opportunity to speak on this very important measure. We have two quite diverse views here. We have a side that presents here a substitute bill, and while we are glad to see that

they are finally coming around to realize that the death tax is wrong, unfortunately they have not quite seen the fact that our bill is based not just on how much money are we going to be able to keep in Washington, but, rather, on the principle that taxing someone twice, and their families after they have passed away, is wrong.

What we see on the other side is not a sincere interest, I believe, in whole of relieving this problem that we have, this unfairness in the Tax Code, but rather posturing themselves politically. Unfortunately, there is a lot of that done here. But, Mr. Speaker, though it is not a perfect bill that we have, H.R. 8, I would like to phase it in more quickly, we are working on a responsible way of phasing it in.

What is it about? It is, as the gentleman said, about jobs, and it is also about green space. We have a lot of beautiful farms in Kentucky, and every time one generation passes it on to the next, there is a large tax that requires them often to sell that farm for development.

There is a small family in a county that is a small county, a poor county, Nicholas County in Kentucky, where the community has lost half their industrial jobs this last year. A small Democratic family started a small business a few years ago with computerized lathe technology and machinists and has developed quite a company. What will happen to that company, if we keep the death tax the way it is, is that when he tries to pass that on to his children Lynn and Lee, they will have to sell the assets of that company. That company will then probably be moved to where most of the machinist work is done, in Cincinnati or Cleveland.

Please, vote down this substitute. Vote for H.R. 8 so we are able to keep the jobs, the green space, and to promote the politics of fairness.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. HILL).

Mr. HILL. Mr. Speaker, I would agree with my good friend from Kentucky that that bill is not a perfect bill. It is not even close to being a perfect bill.

I would ask the American people, or I would ask my constituents if they want tax relief now or they want tax relief 10 years from now? My guess is the constituents in my district would want that estate tax relief now.

Now, there are not many multimillionaires in my district in southern Indiana, but there are many family farmers and small business owners who have enough land and equipment and buildings to make them liable for the estate tax, and they want estate tax relief now, not like the Republican Party wants to give 10 years from now.

The Republicans give Indiana farmers and small business owners very little help if they die between now and the year 2011, but by raising the tax exemption to $4 million, like we want to do, my constituents and the American people get estate tax relief now. And I think that is what they want.

Mr. THOMAS. Mr. Speaker, I yield myself 30 seconds.

I note that the gentleman, in his exuberance, might have left a false impression that under the Democrat substitute every American has a $4 million exemption in their bill. That is not the case. In fact, it is far from it.

In addition to that, the gentleman apparently left the impression that we do not do anything about easing the relief of the death tax during the 10-year phase-down period. The gentleman knows full well that is not the case either. So as we carry on our discussions, I do hope that, to the best of our ability, we stick to the facts.

Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. WELDON).

Mr. WELDON of Florida. Mr. Speaker, I rise in opposition to this substitute and in strong support of the underlying bill.

Mr. Speaker, I want to tell you about a family in my congressional district in Kissimmee, the Sextons. They had a floral shop. Their uncle had a busy floral shop. He passed away and willed his shop to them. They had 17 employees, and the IRS came calling. They sold off as many assets as they could, but ultimately they had to take out a bank loan of $100,000 to pay off the IRS. What did they do to handle that? They had 17 employees, they laid off 5 permanently. They went to the 12 remaining employees and said, you will have to take up the slack for the other five employees that have left, which those 12 people did do. Then they completely ended all of their programs of donating money to local charities in the community. With that, they have been able to get through.

Now, the substitute, I will point out, might provide some more immediate relief, but in 10 years with inflation, we are going to be back where we are today. This is a very punitive tax, the inheritance tax. It is morally wrong to tax somebody at death after they have paid taxes their whole lifetime. The money in those estates has been generated after tax, and it is a double taxation at the time of death, and that is morally wrong. It costs jobs. It costs jobs in Kissimmee, Florida. It causes ranches and family farms to be cut up and sold off for development. That is why we have the environmentalists supporting our bill.

Mr. Speaker, I encourage all of my colleagues to vote no on the substitute, and vote for the underlying bill.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida (Mrs. THURMAN).

Mrs. THURMAN. Mr. Speaker, I would ask the gentleman from Florida (Mr. WELDON), based on the story he just told us, to support our substitute. Otherwise, in fact, my colleague is going to have many more of those same stories ahead of him between now and 2011, because the fact of the matter is that flower shop, based upon the liability talked about, was about $1 million. If my colleague joined us today, they would have relief immediately, not in 2011, which is important.

Mr. Speaker, let me just give some statistics about Florida that I think my colleagues will find very interesting.

In 1998, there were 155,000 deaths in Florida. Of that, there were 8,886 estate tax returns that were filed. Of that, only 4,144 had an estate tax liability. Had this bill been in place, and it would have been signed by President Clinton last year, that flower shop owner would not be having that problem, because the fact of the matter is only 657 Florida estates would have even owed an estate tax.

What I find so amusing about this debate today, this debate started with the idea we have got to do something about the family farmers. We have got to do something about the small businesses. Well, you know what, the only bill that is going to take care of that today, right now, is the Rangel bill that is before us.

Mr. WELDON of Florida. Mr. Speaker, will the gentlewoman yield for a question?

Mrs. THURMAN. I yield to the gentleman from Florida.

Mr. WELDON of Florida. Mr. Speaker why is the Rangel bill not indexed for inflation?

Mrs. THURMAN. Because we go up by 2.5, which is more than we have ever done in estate tax over the last several years.

Mr. RANGEL. Mr. Speaker, I yield 5 seconds to the gentleman from Florida (Mr. WELDON), if he has another question.

Mr. WELDON of Florida. Mr. Speaker, my concern is if my colleagues on the other side of the aisle do not eliminate the death tax, that this is just going to be another problem in 10 years; that is all.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would say to my colleagues on the other side of the aisle, if they are concerned about young people, they have 10 years to wait for relief.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it might be useful to put on the record that in a single year alone, in 1998, the people of Florida lost $2.7 billion to the death tax. Multiply by 10, it goes away. Under the Democratic proposal, it does not.

Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma (Mr. LARGENT).

Mr. LARGENT. Mr. Speaker, I want to say to my colleagues on the other side of the aisle, they cannot come up to the podium and say that they think that the death tax is unfair, they think that the death tax is un-American, let us reform it. If it is un-American, let us get rid of it. Mr. Speaker, that is exactly what H.R. 8 does. Otherwise it is a disingenuous argument that my colleagues make.

Mr. Speaker, it has been said there are two things that are certain in life: death and taxes. And with the estate tax, Washington has figured out a way to marry these two certainties. The government taxes Americans when they work, when they save, when they get married; and in case we miss something, we tax them when they die. There is no tax more offensive or immoral than that levied on the deceased and their families.

Mr. Speaker, the estate tax does not need to be modified or tinkered with; it needs to be repealed. Dying should never be a taxable event. It is a horrible social policy, and even worse economic policy. The effects of the death tax results in nothing less than the killing of the American dream. So many people in America wake up every morning and work hard with the hope that one day their children will have a better quality of life than they did. These folks are not the Rockefellers or the Gates, they just want to pass something on to their children.

Estate tax prevents grandparents and parents from passing on the family business or farms to their children. Families should be allowed to keep what they have earned throughout their lives. Generational transfer of wealth is a good thing and has helped make this such a prosperous Nation.

Mr. Speaker, I urge my colleagues to support H.R. 8 and end the tyranny of the death tax.

The SPEAKER pro tempore (Mr. LAHOOD). The Chair would announce that the gentleman from California (Mr. THOMAS) has 15 minutes remaining. The gentleman from New York (Mr. RANGEL) has 22½ minutes remaining.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. HOYER), my distinguished colleague.

Mr. HOYER. Mr. Speaker, with this estate tax bill, the Republican leadership would light the fuse of a fiscal time bomb that would go off in 2011.

As The Washington Post said this morning, the slow fuse makes the proposal seem affordable; nearly cost-free, in fact, because only the cost of the first 10 years of any legislation is estimated.

□ 1400

But we all know the real costs of this bill do not start showing up until 2011. There is no need for us to jeopardize our fiscal future, Mr. Speaker. A great majority of Members on both sides of the aisle support a reduction in the estate tax. Bill Clinton would have signed a compromise estate tax bill covering 99.5 percent of all the estates in America. The tone may have changed but the substance has not. ''Do it my way or no way.''

The Democratic alternative would give us relief now. It immediately would raise the estate tax exclusion to $4 million for couples and would gradually raise that to $5 million. In 1999, that would have exempted more than three-quarters of all the estates that incurred any tax liability. I am not talking about all the estates. Of any estate that incurred a tax liability. And it would cost a fiscally responsible $40 billion. But the Republican leadership has rejected bipartisan compromise once again.

It is at least consistent. Instead, the GOP's great tax gurus have proposed a bill that would cost $193 billion over the next decade while concealing its true cost. The Joint Committee on Taxation estimates that if complete repeal took effect today, the real cost of this legislation would be $660 billion over the next 10 years. The majority will not admit that, of course. It would be an explicit admission that the President's $1.6 trillion tax plan actually will cost closer to $3 trillion. The real danger to our country and to our people is that the cost of the legislation will be borne at the worst possible time, just as the baby boomers begin to retire and become eligible for Social Security and Medicare. With our uncertain projected budget surpluses, is that fiscally responsible to do? I think not.

Let us provide immediate relief for small business owners, for farmers, and let us defuse the fiscal time bomb before it threatens to blow a hole in our budget.

Mr. Speaker, we can do something real for 99.5 percent of the taxpayers. Yes, their bill will continue the old song, ''The rich get richer and the poor get poorer, but in the meantime don't we Congressmen and Congresswomen have fun?''

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Speaker, the gentleman from California criticizes the numbers saying we do not provide $4 million of immediate tax relief. We do, to every couple. $2 million to every individual.

If Members are concerned about the 98 percent of Americans that do not pay the estate tax at all, they need to vote for the Democratic substitute because it is far more fiscally responsible. It will assure that we are able to pay down the national debt, provide for low interest costs and allow for people who are barely able to make their car payments to make them at a lower interest rate.

But say you happen to represent Malibu, as I do, and you are concerned with those who are the richest 2 percent as is my obligation. Well, the vast majority of the folks in Malibu will actually do better under the Democratic alternative.

First, we provide immediate tax relief. Their plan provides that if you cannot manage to live to 2011 and you have an estate of several million dollars, you are going to pay a big tax. Ours says $4 million a couple: no tax. And if you are able to make it to 2011: $5 million a couple, no tax.

In the long term, their plan provides no estate tax but a higher capital gains tax on the upper-upper middle class. Estates of $3, $4, $5, and $6 million will be virtually tax exempt under the Democratic plan and the heirs will get relief from capital gains tax. Under their plan, those estates do not get relief from capital gains tax.

The result is this: Unless you are focused on the wealthiest two-tenths of 1 percent, unless you are focused not just on the ordinary people of Malibu but on those with $10 million to $100 million estates, the Democratic plan means lower taxes. If you believe in lower taxes for those with under $10 million in assets, vote for the Democratic alternative.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

I tell the gentleman from the State that we shared in 1998, $4.1 billion those families did not get because of the failure to repeal the death tax.

Mr. Speaker, it is my pleasure to yield 2 minutes to the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. Mr. Speaker, I rise today to oppose the Democrat substitute and in strong support of the underlying bill, the Death Tax Elimination Act. This unfair tax has long outlived its usefulness.

We are here in Congress to make things better for the American people. When more than 70 percent of small businesses do not make it to the second generation, something is wrong and must be made better. I know that my colleagues on the other side of the aisle feel that their proposal will make things better, but the fact is that the Democrat substitute does not go far enough. Here is why. I met with representatives from the Illinois Lumbermen's Association yesterday. They are owners and operators of independently owned retail lumber stores. I asked them whether they would be affected by the death tax if the Democrat substitute passed. After thinking for a minute or two, they said that while a $2 million exemption or a $5 million exemption sounds like a lot of money, they would still be subject to the tax. Lumber dealers need land and they need a lot of it. It is a simple fact of their business. Because they own land in the Chicago area, it will appreciate and push the value of their estate above that exemption and they are right back to where we started from. These lumber dealers are the very definition of small businessmen. They put their hearts and souls into their businesses, making a living, creating jobs and hoping to pass something on to their children. But a larger exemption is still not enough. They need a full phase-out. They need the Death Tax Elimination Act.

I urge all my colleagues to oppose the Democrat substitute and to support the Death Tax Elimination Act. The time is now to once and for all put an end to the death tax.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

It just seems to me under that last example that appreciated property

under the Republican bill will be exposed to capital gains tax for the next 10 years.

Mr. Speaker, I yield 3 minutes to the gentleman from North Dakota (Mr. POMEROY), a member of the committee.

Mr. POMEROY. I thank the gentleman for yielding me this time.

Mr. Speaker, this is about very real tax relief now to deal with those 2 percent of American households that may have estate tax issues to deal with versus a promise of tax relief 10 years to come.

This chart shows what happens under the majority bill: Very substantial estate tax collection for a decade, then nothing. Are the American people really to believe that the next 2½ presidential terms, the next five Congresses will not revisit this issue? We cannot commit what will happen one decade from now. We are best off dealing with the substitute, real relief now.

This chart shows the significant difference in providing meaningful estate tax relief by moving to the substitute, effectively $4 million estate tax exclusion for a couple phased in to $5 million after 5 years. Estates with a value below $10 million do better under the minority substitute than the majority plan. In addition, there is a very insidious feature to the majority bill which will actually cause taxes to rise for a substantial number of households. By repealing the step-up basis and moving in the carryover basis, they hurt exactly some of the same people they talk so much about helping, farmers and small businesses. An estate that presently is not taxable because of a significant level of debt that passes at the time of the estate could become very definitely taxable for capital gains under the majority proposal. The specific application of the capital gains carryover change advanced in the majority bill would hurt farmers, is very bad public policy, and damage small businesses.

I represent more production acres than any other Member of this House. The family farms that I see are much more threatened, and I have seen a lot more farms lost to the ruinous cost of nursing homes than I have had application of Federal estate tax liability. The majority on the other hand does nothing to address the cost of nursing homes, nothing to address the very real present cost to these estates. Instead, they offer a plan that does not take meaningful effect for a full decade and then takes effect in such a way as to raise capital gains tax exposure for family farms, for small businesses, for literally thousands of families that today have no estate tax difficulties.

This is the kind of proposal that should be defeated. Support the minority substitute.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

I thank my friend from North Dakota for clarifying the issue for us. It is now very clear. They want reduction. We want repeal.

Mr. Speaker, it is my pleasure to yield 3 minutes to the gentleman from Texas (Mr. DELAY), the majority whip.

Mr. DELAY. Mr. Speaker, I thank the gentleman for yielding me this time and I thank the gentleman for bringing this bill to the floor. The gentleman from California is absolutely right. The other difference is we have credibility. They have no credibility. The last time they were in the majority and offered a tax cut was when Jack Kennedy was President of the United States.

Mr. Speaker, Members should oppose the Democrat substitute amendment because it denies the across-the-board tax relief that the American people want and demand. The Democrats dangle partial relief but we repeal the death tax. Let us set aside those specific dates and figures that confuse Members to examine the very underlying dispute in this debate. And we should look beneath the surface, because the reason our parties disagree on this proposal stems from our core convictions. Republicans support the repeal of the death tax because we believe that the Federal Government has no legitimate right to tax income twice. We believe that families are entitled to keep what they earn over the years. Those families have already paid taxes on their assets and taxing them twice is wrong. All the Democrat objections flow from one single motivation, the desperate desire to preserve taxes for a stream of revenue. Democrats oppose the death tax repeal because it would cut off a source of revenue so they can have big government.

The Democrat substitute is compromised by a flawed understanding that stubbornly refuses to accept this fundamental point: Tax dollars belong to the people who earn them, not the Federal Government. The Democrats are terrified by the prospect of foreclosing any source of taxation. We want to let people keep more of what they earn. The bottom line is this: Without full repeal, any death tax relief measure is no more than a placebo. To cure the death tax, you have got to kill it by ending it once and for all.

The only plausible reason for opposing death tax repeal is the unstated ambition to one day restore the death tax in its current aggressive form. We want to let American families keep what they have earned but the Democrat leadership has designs for those tax dollars. That is why they do not and will not support death tax repeal.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

You may want to repeal it but it is taking you 10 years to get there.

Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. DELAHUNT).

Mr. DELAHUNT. Mr. Speaker, I thank the ranking member for yielding me this time. I also thank him for crafting a very intelligent substitute.

Last year, I was one of those Democrats who joined with my colleagues across the aisle to support legislation to repeal the Federal estate tax. I did so because I believed that the tax unfairly burdened small businesses and family farms which often had to be sold at below-market values because of liquidity issues.

□ 1415

In other words, the heirs did not have the cash to pay the tax.

Well, I still believe that; and that is why I am going to vote for the Rangel substitute rather than the committee bill, because if we adopt the substitute, many of those who are now required to pay the estate tax will have the cash under the Rangel bill.

Secondly, and others have addressed this issue, under the committee bill many Americans would never reap the promised benefits even upon full repeal in 10 years. As others have suggested, currently, inherited property is assessed for valuation purposes at the time of death; but the committee bill, the Republican bill, would carry over for tax purposes a property's original value from the date of acquisition, from the date of purchase.

It will undoubtedly increase capital gains tax upon sale and disposition; again, forcing heirs to experience the same liquidity issues upon sale that we are trying to address now. So I think for these reasons and for so many others that have already been articulated, it makes sense to support the Rangel substitute and to defeat the bill.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from the District of Columbia (Ms. NORTON).

(Ms. NORTON asked and was given permission to revise and extend her remarks.)

Ms. NORTON. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me this time. I especially thank him for the thoughtful substitute he has put forward because what he has done is to listen to the people who have estate tax problems and responded directly to them.

Mr. Speaker, the substitute has relief for small businesses, for farmers, and for people who have worked hard to accumulate modest wealth. In other words, for those who need it.

Mr. Speaker, I never thought I would hear Americans argue for heredity wealth. That, I thought, was the major difference between the Old World and the new, between Europe and America. I am bemused by the notion of a dead man paying twice. People who inherit wealth have not paid once. The children of the rich, who get the lion's share of the benefits from this bill, have not paid a dime of money they have worked for.

This bill, the majority bill, turns progressive taxation, the hallmark of the Federal Tax Code, on its head. We hear about transferring wealth from the rich to the poor. The majority's bill transfers funds from the poor to the rich. The majority has tried to get away with having Americans believe

that they are or could be helped by estate tax repeal.

The whistle has been blown on the majority bill, thanks to some very principled rich folks who got up and told the truth about who would get the benefits and said that it should not be them but people far poorer than them. They exploded the leading myth behind this bill.

The fact is, Mr. Speaker, almost no one would benefit from the majority bill. That is a lot of money to give to no one.

Mr. THOMAS. Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma (Mr. WATTS), the conference chairman of the Republican Conference.

Mr. WATTS of Oklahoma. Mr. Speaker, this is a common sense plan to strengthen family-owned businesses and farms and to secure our children's future. Furthermore, nobody should be forced to visit the undertaker and the IRS in the same day.

Let me explain the problem with this death tax situation. Families are working longer and harder than they ever have, and Washington continues to take more and more. The death tax deprives many hard-working Americans of opportunities to pass along the business or the farm to the children. Upon death, the IRS can seize up to 55 percent of one's farm or business. This means a mom-and-pop shop one hopes for their children to take will be more than half gone before their funeral is over.

The death tax was enacted four times in our history to fund military buildups in times of war. In all but the fourth time, it was repealed within 8 years. The fourth time, however, it was enacted to fund World War I in 1916 and has never been repealed.

News flash: the war is over. We won. Let us get rid of the death tax.

What is the solution? Let us eliminate it on behalf of family farmers and small business owners who want to leave a legacy for their children, for their grandchildren. I ask for fairness and common sense in our Tax Code.

The benefits we get out of eliminating the death tax, more than six of 10 small businesses report that they would create new jobs in the next 12 months if the death tax were to be repealed. That means food on the table and college tuition for many American families.

In the black community, sometimes it takes four or five generations for the African American community to create wealth; and then, when that proprietor dies, over 50 percent of that business is wiped out overnight. This tax is wrong. It is unfair. We need to eliminate it.

We got the IRS out of the sanctuary last week by eliminating the unfair marriage tax. Now we must vote to get rid of the IRS, get it out of the funeral parlor. Uncle Sam should not raise revenue from somebody's coffin.

Mr. Speaker, the death tax needs to die.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL), the distinguished ranking member, for yielding me this time and for his leadership in bringing this very wise Democratic estate tax-relief bill to the floor.

Mr. Speaker, I rise in strong support of it because Democrats have repeatedly stated that we do support responsible tax cuts, but only ones that we can afford.

Yet again, the Republican leadership has brought a tax cut to the floor that we cannot afford. I come from a part of the country where real estate values have skyrocketed. I understand the need for estate tax relief for homeowners, for business owners, for farmers. The Democratic substitute increases the estate tax exclusion to $2.5 million for individuals and $5 million for married couples. Under our plan, 75 percent of the estates that are currently taxed would no longer pay any estate taxes. I repeat, 75 percent of those who currently paying estate taxes would pay no estate taxes under the Democratic plan.

Our plan, the Democratic plan, costs $40 billion over 10 years. We can afford that. The Republicans, on the other hand, have an irresponsible proposal that will add to the already $1.8 trillion, including interest, that has come to date to this floor that they have voted; and their plan, one probably will not believe this, but listen carefully, their plan will cost $662 billion. It is so staggering, $662 billion. $40 billion on the Democratic side, 75 percent of the people will pay no estate tax who pay estate tax now. Theirs, $662 billion. But if one is in that category where they would benefit from the Republican plan, listen up. Their benefit does not even come for 10 years.

So listen up. If they are in the category that would benefit at the highest end of the Republican estate tax plan, they do not see that benefit for 10 years down the road. The Republicans are asking this Congress to commit five Congresses from now, five budgets away, to spend up to $662 billion in tax relief for the wealthiest people in our country.

What is the opportunity cost of that money? We have an infrastructure deficit in our country; bridges, roads, that need repair; building of mass transit to move people and keep the air clean. We have deficits in our education that we need school modernization, where these billions of dollars could be spent there. Or first and foremost, we could pay down the debt, keep interest rates down for our mortgages, for our car payments, for our credit cards.

So when they give this tax break at the highest end, guess who is paying for it? The average working American, with higher interest rates.

I urge our colleagues to support the Democratic plan.

Mr. THOMAS. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, just in case anybody believes any of those figures that were mentioned by the gentlewoman from California (Ms. PELOSI), the Joint Committee on Taxation places a $185 billion price tag on the bipartisan H.R. 8 proposal. The Democrat substitute costs $160 billion over 10 years to just reduce the death tax. They do immediately repeal the State estate tax credit, an immediate hit on the States of $122 billion, which produces the net that the gentlewoman mentioned.

Ms. PELOSI. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. Not on my time. If the gentleman from New York (Mr. RANGEL) wants to yield some time, he can.

Mr. RANGEL. Mr. Speaker, I yield 30 seconds to the gentlewoman from California (Ms. PELOSI) to respond to the gentleman from California (Mr. THOMAS).

Ms. PELOSI. Mr. Speaker, in fact, the Joint Committee on Taxation has estimated that the Republican plan would cost $662 billion over 10 years.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, notwithstanding what the gentlewoman from California (Ms. PELOSI), my colleague and friend, said, she is just flat out wrong. The joint tax on our plan is $185 billion.

Mr. Speaker, I yield 2½ minutes to the gentleman from California (Mr. ISSA).

Mr. ISSA. Mr. Speaker, I would like today to take my 2 minutes and use it a little differently than the other Members. I would like to put a face on the nobody that was talked about here earlier.

I am one of those nobodies who will pay the tax. I came to this body, after 20 successful years in business, just 90 days ago. I am not particularly concerned about how much money the government takes from me, because I have sold my business in order to come to this body; but I am concerned about businesses like the one that my wife and I built over 20 years.

Twenty years ago, I left the Army with a 1967 Karmann Ghia and a couple thousand dollars. Over those 20 years, with incredibly hard work and luck and the participation of nearly 200 men and women in our company, we built our business to $100 million in sales. It took 4 years to structure a termination of that business from ownership of my wife and myself. People within my company now own stock, and a leverage group came in and helped; but it took a long time, and I have 5 years of obligation to make sure that my company goes on.

Had I died on December 31, instead of leaving as a CEO to come join this body, they would have taken an immediate tax hit of over $55 million on the company just at a time at which its value would have plummeted, its marketability would have been terminated.

In the America that I grew up in, one's dreams, in fact, are rewarded by

government, not punished. Most importantly, in the America I grew up in we do not determine what size business is good, what size business is good to be public, what size business is good to be private.

In the America I grew up in, we reward people who build businesses because they create the jobs that Americans work at. Please vote down the substitute. Vote for the bill itself, because in fact it supports the ability for companies like my wife and I built to be able to support American jobs.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi (Mr. TAYLOR).

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Mr. TAYLOR of Mississippi. Mr. Speaker, I thank the gentleman for yielding me this time.

The one thing that apparently is not being talked about today is that as of the end of last month, our Nation was $5.735 trillion in debt. Just since September, our Nation's debt has increased by $61 billion. I guess many of my colleagues would like to ignore that, but they cannot ignore the fact that we owe the Social Security Trust Fund $1 trillion of unfunded liability. We owe our Nation's military retirees, including the gentleman who just spoke, $163 billion. We owe the Medicare Trust Fund $229 billion, and we owe our own public servants over half of $1 trillion.

When folks ask me on the street to cut out the wasteful spending, they are pretty shocked to discover that the most wasteful thing our Nation does that costs $1 billion a day is interest on the national debt.

Now, the gentleman from New York (Mr. RANGEL) and his proposed plan to try to solve the problem for most of those Americans who do pay an estate tax would allow people to keep $4 million of their parents', or whoever left them the money or estate, tax-free, and we can do that for less than $30 billion. The alternative costs five times more.

Now, as someone who spends my time looking out for the defense interests of our Nation, that difference would build 20 aircraft carriers or 100 destroyers, or no telling how many 30-year-old UH–1 Hueys could be replaced. Right now we have 20 young Americans in captivity in China because the pilot was afraid to ditch that ancient aircraft he was flying for fear that the lives of the crew would have been lost.

Mr. Speaker, why do we continually underfund the things that our Nation should be doing the best it can for the sake of tax breaks, in many instances justified tax breaks, but in many instances tax breaks whose people are only deserving because they can write big checks to political parties?

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. KELLY) to tell another one of those very real-world stories.

Mrs. KELLY. Mr. Speaker, I rise in opposition to the Rangel substitute because partial repeal of the death tax is just that: partial. Full repeal is what is needed to benefit all of the workers on family farms and in small businesses. Many of the testimonials we have heard regarding the repeal of the death tax have centered around the plight of the family farmers. Farm families are not the only ones affected by the estate tax.

Family-owned manufacturing and construction businesses are also affected. How? Because they put the bulk of their assets into the equipment by which they do business. For instance, if one is a road contractor, the very bulldozers and clam shells and backhoes that one owns cost in the millions of dollars, and this is what one has to pass on to one's children, one's good name and equipment, that is it. So when the inheritor of a small business has to liquidate the company's assets and equipment to cover the cost of paying the government, it marks the tragic end to an entity that may have gone on for several generations.

When a business closes its doors for the last time, it is forced to sacrifice the jobs of the employees. All of the workers, many of whom have long tenures with the business and deep roots in the community, are faced with unemployment and the sudden need to find another job in order to feed their families. Please note, these could be union or nonunion jobs. It is just plain jobs.

Mr. Speaker, it is clear that the long arms of the estate tax reach deep. The death tax touches every aspect of small businesses from the inheritor to the employees to the families to the local community. If we vote to repeal the estate tax, we are not only assuring a promising future for family farmers, but we are ensuring a promising future for the small business owners of America and the small manufacturers of America. All American workers will do better and all of America will be better if we pass this bill.

Mr. Speaker, I urge my colleagues to vote no on the Rangel substitute to H.R. 8.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to support the Democratic alternative by the gentleman from New York (Mr. RANGEL) to simply emphasize that only 50,000 estates are even impacted by this estate tax at all, 2 percent of Americans, whereas the Democratic substitute ensures that the tax will exclude the $2 million per person, $4 million per couple as of January 1, 2002, and gradually increase to $2.5 million and $5 million per couple.

But the real issue is what the estate tax does. I am gratified that individuals like Bill Gates really talk to America about what the estate tax is all about. We are interested in helping the car dealer and the small business, and the Democratic alternative does that. But do we realize that in many instances, many Americans provide sources of opportunity and contribution to hospitals and institutions of higher learning, to our arts institutions by donating murals and pictures, by protecting our national parks, by their wonderful largesse and their charitable attitude. These Americans do not want the estate tax repealed, they want to continue to do this and continue to be able to give, and they want to be able to give to America to protect its very precious resources.

Mr. Speaker, I say to my colleagues, support the Democratic alternative.

Mr. Speaker, I rise in opposition of H.R. 8, Estate Tax Repeal Act. This legislation is simply another reflection of poorly placed priorities that could jeopardize funds that would otherwise be used for next year's budget. The bill is so back-loaded that it does not even fully repeal the estate tax until 2011, beyond the 10-year budget window.

We all know that reform of the estate tax is a bipartisan issue—both Democrats and Republicans have long recognized the need to reform estate tax. I have often heard of the need to update the estate tax from constituents to reflect the increase in home prices, stock prices as they are reflected in individual savings for retirement, and the value of family-owned businesses. But the Republican response embodied in H.R. 8 has been to help the wealthiest first and foremost by repealing the tax altogether, squandering the surplus and creating the potential for tax evasion. The Democratic response has been to provide the tax relief quickly and to those who need it the most—family farms and small businesses.

The current estate tax applies to estates larger than $675,000. There are special provisions for farms and family-owned small businesses that increase the amount excluded from the tax. According to the Joint Tax Committee, the estate and gift tax will raise $410 billion between 2002 and 2011. Each year only 50,000 estates owe estate tax at all; less than 2 percent of Americans have to worry about the tax. Of these 50 estates, there are fewer than 3,000 farms and fewer than 3,000 that have non-corporate business assets. In fact, in 1998, there were only 642 which were made up mainly of farm assets.

Most of the revenues come from the largest estates—the ones that the Republicans have chosen to get the first and largest benefits from their bill. The Joint Tax Committee estimated that the cost of H.R. 8 as introduced would have been $370 billion. The long phase-in period in H.R. 8 kept the cost down; $192 billion over ten years. Combined with the first two tax cut bills passed by the House—H.R. 3 and H.R. 6—this bill raises the total cut to $1.55 trillion over ten ears. The total budget cost is nearly $2 trillion. That is just an unacceptable price.

Mr. Speaker, we cannot afford this costly approach. H.R. 8 would reduce the rates on the largest estates first, giving the greatest benefit to only a few wealthy estates while providing no tax relief to the great majority of smaller estates while providing no tax relief to the great majority of smaller estates. When fully repealed, more than half of the tax cuts

would go to the largest 5 percent of the estates—2,900 estates valued at more than $5 million each.

Mr. Speaker, we can reform the estate tax and target a larger segment of America at the same time. For this reason, I look forward to supporting the Democratic Estate Tax Reform Proposal as an alternative to the proposed bill. The Democratic substitute raises the exclusion from the tax to $2 million per person and $4 million per couple as of January 1, 2002 and gradually increases the exclusion so that it reaches $2.5 million per person and $5 million per couple. The net cost is $40 billion over ten years. Accordingly, the substitute would not cause enormous drains on the Treasury and it takes care of the problem for the vast majority of estates. The Republican proposal will cost Americans $662 billion over 10 years creating a fiscal crisis.

The Democratic alternative is simple and cost-effective. It maintains the progressive features of the current estate and gift tax system while effectively exempting two-thirds of all estate that would have to pay the estate tax under current law. It would exempt 99.4 percent of all farms that would otherwise have to pay the estate tax and would give more estate tax relief to estates of less than $10 million than the Republican bill through 2008. In short, the Democratic alternative exempts many more estates, more quickly.

Mr. Speaker, I urge my colleagues to oppose H.R. 8. Instead, I urge my colleagues to support the Democratic substitute.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-MCDONALD. Mr. Speaker, I rise today in support of the Democratic alternative and in opposition to H.R. 8.

Mr. Speaker, I am not opposed to estate tax relief, but this tax bill, H.R. 8, does not speak to providing estate tax relief to small businesses and family farmers. The Democratic substitute targets tax relief to small businesses and farms, as well as those estates that have increased in value over time. The Democratic bill will not result in an enormous drain on the Treasury, and it takes care of the problems of the vast majority of estates. I will support the Democratic alternative bill today.

Mr. Speaker, I am opposed to H.R. 8. I want to urge all of my colleagues to support the only tax plan that gives true relief from estate taxes.

Mr. RANGEL. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, one of my Republican friends brought to me an ad which ran in The Washington Post where African American businesspeople were calling for an end to the estate tax. I was moved by their concern for these African Americans. I thought it was the beginning of the new Republican civil rights movement. But I told them that I had shared my concerns about this with some of these people, and they agreed with me that only in a country as great as America can someone be born in poverty and be able to achieve the great economic success that they have been able to achieve.

But in doing this, we also had an obligation to America, to those people who are less fortunate. Whether they be black or white or Jew or gentile, there has to be a basic understanding that we have to secure for ourselves a sound economic system that allows all of the people to hope and aspire to achieve economically, a sound public school system that gives us the tools to be able to negotiate one's way through success; a Nation that would not only allow us to move forward, but have a concern about the Social Security System, the Medicare System, to be concerned about one whose parents who are dependent on Social Security and dependent on prescription drugs. In other words, yes, we have to be prepared to give something back to this great Republic that has given so much to so few.

So it seems to me as we conclude this argument, if people are talking and debating about repealing the estate taxes now, we have the wrong debate. Yes, that figure, $662 billion, no longer applies because the Republicans do not want repeal; not now, not next year, not the year after. They are talking about a decade from now. So call it the Republican I-Hope-You-Live-For-10–Years bill, but do not say relief is being given now, because the relief is in the Democratic substitute and the relief is when? The relief is now.

The Republicans would expose those who hold property that have appreciated in value to additional capital gains taxes after they die. We do not do that.

So what I am suggesting to my colleagues is that we have to live with some framework of what we are going to do in the future, and I can tell my colleagues this. The Republicans are talking about $1.6 trillion today, but tomorrow they will be talking about $2 trillion, the next day they will be talking about $2.5 trillion, and before we leave this House, they will be talking about a $3 trillion bill. Am I making it up? No.

The thing is that there is nothing left for them to cut after this bill. If this bill passes, they would have taken a $662 billion budget bill and squeezed it into a wedge that is left for $200 billion. But that is the last wedge, and this is our last chance.

Mr. THOMAS. Mr. Speaker, folks have heard a lot of numbers here today in the debate. The one that is real, 1998, in the States of the last 3 speakers, Texas, California and New York, those families had $7.9 billion taken from them in the death tax.

Mr. Speaker, I yield the balance of my time on this measure to the gentleman from Texas (Mr. ARMEY), the majority leader.

Mr. ARMEY. Mr. Speaker, I thank the gentleman for yielding me this time. I want to thank the chairman of the committee and the committee for bringing this bill to the floor.

Mr. Speaker, I do not often feel a need to answer the arguments made by my Democrat colleagues and, Mr. Speaker, I do not often argue by analogy, but for just a moment, Mr. Speaker, I would like to use an analogy to answer one of the arguments that they have made from the other side of the aisle.

We have brought here before the American people an effort to end the death tax. We choose to do that because we think it fundamentally wrong to tax a family's legacy. We have had testimony here about the fact that a handful of very, very rich people in America, most of whom on that list have more money than their families could ever spend in several lifetimes, have signed a letter saying, please do not end the death tax. My Democrat colleagues have seized upon that as testimony to the virtue of continuing the death tax. They are wrong to do so, and let me give my colleagues the analogy.

We have laws, Mr. Speaker, against battery, because we believe it is wrong to beat on a person. Now, Mr. Speaker, if a handful of masochists were to write a letter saying, oh, lift the ban on battery, beat us, beat us, I am sure the gentleman from New York (Mr. RANGEL) would not say, oh, by all means, we will not only beat the masochists, but we will beat everyone else who happens to have similar socioeconomic, demographic characteristics. No, he would immediately say, well, that is wrong. If it is wrong, it is wrong, and we cannot allow the sadists to beat the masochists just because the masochist says, beat me.

But if we follow the logic that they have applied to this effort to end this wrongful taxation, that is precisely the logic we would find them applying to the whole question of battery.

□ 1445

So we see they are wrong because they missed the point. We have here come today to end the death tax because it is wrong, and just as a compassionate man would end the battery even for the masochist, we would choose to end the death tax for the tax masochist that signed that letter. Because a conservative that is compassionate and understands recognizes that when one is taxed one's entire life, it is unfair, it is wrong, to be taxed again after one is dead.

Just consider, Mr. Speaker, what all we are taxed on today. Our wages are taxed, our property is taxed, our spending is taxed, our savings is taxed, our investment is taxed, and even our marriage is taxed, although we are trying to end that.

But for some of my colleagues, that is still not enough taxation. For them, as we draw our last breath, they want the tax man to pay us one final visit.

No, Mr. Speaker, it is just not right. It is not only unfair, it is not only immoral, but the death tax strikes at the very heart of the American dream.

What do I mean by that? Mr. Speaker, this is a nation that has drawn people from all over the world. They have come to this country with a dream. Their dream has been to work hard,

obey the laws, and build a better life for themselves and their families. They have pulled themselves up by their bootstraps. They want to leave the fruits of their life's labor to their children.

At the very moment when our final dream in life is to be realized, where we can pass on to our children all our life's work and its benefits, they have the government step in and pull the rug right out from underneath us. With that death tax, the government says to the family, ''Your small business is destroyed. To your loyal friends and employees, your jobs are lost. Another farm is put up for auction.''

It is not enough. It is not, in fact, a tax on big business. The death tax is not a tax on just rich people. It is a tax on a family's legacy, and that is why it is wrong. It taxes the family's capital, it taxes the small business, and it attacks the American dream, so we have come here today to put an end to it.

I say to my colleagues, look only at this one question: Is it right or is it wrong for the Federal government of the United States to be the largest grave robber in the world?

It is time for us to put an end to this immoral tax; not compromise, not end it for just a few, not continue to tax the masochistic rich because they do not feel the pain of the tax, but put an end to it for one very simple reason: It is wrong, and it should stop.

Ms. DUNN. Mr. Speaker, the Democratic substitute is short term fix masquerading as real tax relief. It will not solve the problem. Here is why:

First, it does not address the high death tax rates. On the first after their $2 million dollar credit, the family is forced to pay taxes starting at a 49 percent rate on every dollar over the credit. For businesses valued at 6 million dollars, this could mean a tax bill approaching 2 million. Under the substitute the U.S. will still have the second-highest death tax rates in the world—behind bastions of free market capitalism such as France and Sweden.

Second, every attempt to provide relief from the death tax has been a failure. In 1997, with the best intentions, we fashioned the Qualified Family-Owned Business Exemption as a way of addressing the concerns of small businesses and farmers, but it has not been the solution we envisioned. It is so complicated and onerous that the American Bar Association has called for its repeal. It also has a limited reach. According to Treasury estimates, only between 3 and 5 percent of estates qualify. In short, our experience shows that reform will only prolong the problem.

Finally, and perhaps most importantly, the substitute affirms the flawed notion that it is fair and reasonable to tax people at the end of their life. Instead of rewarding them for saving or for building a business, we punish them by assessing a burdensome tax. I urge my colleagues to reject the substitute and eliminate the death tax once and for all.

The SPEAKER pro tempore (Mr. LAHOOD). All time has expired.

Pursuant to House Resolution 111, the previous question is ordered on the bill, as amended, and on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. RANGEL).

The question is on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. RANGEL).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. RANGEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 201, nays 227, not voting 3, as follows:

[Roll No. 82]

YEAS—201

Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Bentsen
Bereuter
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Clay
Clayton
Clement
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson-Lee (TX)
Jefferson
John
Johnson, E.B.
Jones (OH)
Kaptur
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (VA)
Morella
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Shows
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thurman
Tierney
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NAYS—227

Abercrombie
Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Chabot
Chambliss
Clyburn
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hilliard
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jackson (IL)
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Kanjorski
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
LaTourette
Leach
Lee
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thompson (MS)
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Towns
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—3

Becerra
Kennedy (RI)
Latham

□ 1508

Messrs. SIMMONS, CRANE, TERRY, BAKER, NETHERCUTT, and GILMAN changed their vote from ''yea'' to ''nay.''

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. POMEROY

Mr. POMEROY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. POMEROY. Yes, Mr. Speaker, I am.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. POMEROY moves to recommit the bill, H.R. 8, to the Committee on Ways and Means with instructions that the Committee report the same back to the House promptly with an amendment in the nature of a substitute that—

1. provides immediate relief from estate and gift taxes by increasing the estate and gift tax exemption with a goal of providing an exemption level that eliminates estate and gift tax liability for over two-thirds of those currently subject to the tax and exempts at least 99% of all farms from estate and gift taxes;

2. in no event increases the exemption to a level less than the increased exemption provided in H.R. 8 as introduced;

3. does not have growing budgetary costs like those shown in the Committee report that begin at $4 million in fiscal year 2002 and grow to $49.2 billion in fiscal year 2011, the last fiscal year beginning before the bill is fully effective; and

4. in no event includes provisions that would result in net tax increases (through additional capital gains tax levies) on the estates of certain decedents (such as farmers with average debt levels) with net assets below current law estate tax exemption levels.

Mr. THOMAS (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Dakota (Mr. POMEROY) is recognized for 5 minutes in support of his motion to recommit.

Mr. POMEROY. Mr. Speaker, I offer this motion on behalf of myself and the gentleman from Texas (Mr. TURNER).

The majority would have us believe that estate taxes collected by the Federal Government are the single greatest obstacle interrupting the passage of a family farm, a small business from one generation to the next.

To place the issue in perspective, 2 percent of all estates in this country were subject to the estate tax at present levels. Of those 2 percent, a single percent had assets that were at least half involved in farming. Ninety-nine percent of the 2 percent had not had operations involved in farming.

Mr. Speaker, I represent more production acres than any other Member of this body, and I will tell my colleagues there are an awful lot more farms lost to the ruinous cost of long-term care than ever lost to estate taxes collected by the Federal Government, but the majority has nothing in this bill to address that issue. By passing this bill, it will deprive this body of the resources to ever address the long-term care cost issue threatening the passage of farms and small businesses.

The motion to recommit has three fundamental principles: first, we should provide relief now, as opposed to relief later. The bulk of the majority bill takes effect 10 years from now. Mr. Speaker, we cannot bind future Congresses. There will be no fewer than four additional Congresses past this one that would have the opportunity to tinker with the majority's bill. Let us put relief in place now.

The second point, this should not explode in the outyears. It should take a relatively level hit on the Federal budget so we know what we are dealing with. The explosion of the majority bill just at the time the baby boomers move into retirement, escalating the costs of Social Security and Medicare will wreck the Federal budget. Why would we want to pass this on? Let us deal with it now.

The third, and very important, point, the majority bill exposes farms and small businesses to a level of capital gains that they do not have presently. Today, we have farms and small businesses that will pass under the estate tax but be fully protected against capital gains in a subsequent sale because of this stepped-up basis ultimately used to calculate capital gains.

□ 1515

Mr. Speaker, the majority bill does away with that, puts back in carryover basis. The effect is to tax farms and small businesses that do not have a capital gains exposure and gives them capital gains exposure. That is not the kind of tax relief our farmers are looking for.

Mr. Speaker, I yield to the gentleman from Texas (Mr. TURNER).

Mr. TURNER. Mr. Speaker, many Members on both sides of the aisle know that we can do better than the version of H.R. 8 that is before us today. The average number of estates each year subject to taxation in a congressional district in this country is 115. Just 115.

Now some of my colleagues come from more affluent areas, and that number is higher. Some of us come from areas that are of less affluence, and it is far lower. But whether my colleagues have 50 or 350 estates a year that are subject to the estate tax, these families would like to see significant estate tax relief now, not 10 years from now.

Mr. Speaker, this motion states that the exemption shall be no less than provided in H.R. 8 as originally introduced, which was $1.3 million, rather than the $700,000 under the current Thomas bill. This motion provides that it should be our goal to provide immediate repeal of the estate and gift tax for two-thirds of those currently covered by the tax, including 99 percent of all family farms. As the gentleman from North Dakota noted, the bill should guarantee that no family should pay more tax because of what is done here today.

Under H.R. 8, a $2 million estate would pay approximately $450,000 in 2002. With an affordable tax cut we can do better. We can make that family's estate tax zero in 2002. It all comes down to one's sense of fairness. Shall we start by giving the largest tax cuts to the wealthiest families in America, and no significant relief for the next 10 years to the smaller estates; or should we repeal the tax at the lower end immediately while granting gradual rate reductions for the upper end?

Mr. Speaker, I hope a majority of the House will support the latter approach and support this motion. This motion says we should start by repealing the tax for two-thirds of the taxable estates at the lower end rather than continuing to subject these families to 10 years of taxation.

I talked to a prominent senior citizen in my district who has a sizable estate to pass on the other day about these alternatives. He told me, whatever you do, do it now. I do not have 10 years.

Mr. Speaker, to pass a shell of a bill with a 10-year fuse is not tax relief. It is an empty promise to all who will lose loved ones over the next decade, and who may be forced to sell their family farm or family business to pay the estate tax. We will not be able to tell these families that we cannot afford to help them, because we can afford it, and we should do it now.

Mr. Speaker, I urge my colleagues to vote for the motion to recommit.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from California (Mr. THOMAS) is recognized for 5 minutes in opposition to the motion to recommit.

Mr. THOMAS. Mr. Speaker, I think the debate today has been very good. H.R. 8 seeks repeal of the death tax, and the substitute by my friend and colleague on the Committee on Ways and Means, the gentleman from New York (Mr. RANGEL), sought relief.

If one listens to my two colleagues discussing this motion to recommit, one would have thought that that debate was continuing; their motion to recommit is for relief, and the underlying bill is for repeal. I want my colleagues to be very, very careful. I apologize to my colleagues; once again, I read their motion to recommit.

Mr. Speaker, in looking at the particulars, in the first particular it says it provides immediate relief. There is no repeal in any of the four items. One would think we are continuing the debate that we have had all afternoon, relief versus repeal. If my colleagues wanted to support our friends on the other side of the aisle, like the gentleman from Hawaii (Mr. ABERCROMBIE) or the gentleman from Georgia (Mr. BISHOP), my colleagues would have

voted no on the gentleman from New York's substitute because it was only relief. H.R. 8 is repeal.

But under the rules of the House, my colleagues ought to read the first paragraph, because what the first paragraph says is: Mr. Speaker, I move to recommit the bill, H.R. 8, to the Committee on Ways and Means with instructions that the Committee report the same back to the House promptly.

Normally when we see these motions to recommit, the word that is normally used is ''forthwith.'' A motion to recommit forthwith is immediate. It has a time certain to it. For those of us who have been around awhile, we have had a motion to recommit when, forthwith, it is brought right back to the floor, and we discuss the change that is in the motion to recommit.

Mr. Speaker, this is a motion to recommit promptly. When is promptly? No one knows. It is not a time certain. It is uncertain. The motion to recommit kills the bill. What does that mean? It is not an argument between relief and repeal. It is between killing this bill, having no change whatsoever, or repeal.

Mr. Speaker, I think the choice is clear. Vote no on the motion to recommit so my colleagues can vote yes on H.R. 8, and repeal the death tax.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. POMEROY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of passage of the bill.

The vote was taken by electronic device, and there were—ayes 192, noes 235, not voting 4, as follows:

[Roll No. 83]

AYES—192

Ackerman
Allen
Baca
Baird
Baldacci
Baldwin
Barrett
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Conyers
Coyne
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hill
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Sherman
Skelton
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Stupak
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOES—235

Abercrombie
Aderholt
Akin
Andrews
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Condit
Cooksey
Costello
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hilliard
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (OK)
Manzullo
Matheson
McCarthy (NY)
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schiff
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tanner
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—4

Becerra
Green (TX)
Kennedy (RI)
Latham

□ 1540

Mr. HUTCHINSON changed his vote from ''aye'' to ''no.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. GREEN of Texas. Mr. Speaker, I was unavoidably detained just a few minutes ago on Rollcall No. 83. If I had been present, I would have voted ''aye.''

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. THOMAS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 274, nays 154, not voting 3, as follows:

[Roll No. 84]

YEAS—274

Abercrombie
Aderholt
Akin
Andrews
Armey
Baca
Bachus
Baird
Baker
Ballenger
Barcia
Barr
Bartlett
Barton
Bass
Bereuter
Berkley
Berry
Biggert
Bilirakis
Bishop
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boucher
Boyd
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Carson (OK)
Chabot
Chambliss
Clement
Coble
Collins
Combest
Condit
Cooksey
Costello
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis (CA)
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Dooley
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Etheridge
Everett
Farr
Ferguson
Flake
Fletcher
Foley
Ford
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode

Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Harman
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hinojosa
Hobson
Hoekstra
Holt
Honda
Hooley
Horn
Hostettler
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Israel
Issa
Istook
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Lampson
Largent
Larsen (WA)
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Maloney (CT)
Manzullo
Mascara
Matheson
McCarthy (NY)
McCrery
McHugh
McInnis
McIntyre
McKeon
Mica
Miller (FL)
Miller, Gary
Moore
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sanchez
Sandlin
Saxton
Scarborough
Schaffer
Schiff
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shows
Simmons
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Wynn
Young (AK)
Young (FL)

NAYS—154

Ackerman
Allen
Baldacci
Baldwin
Barrett
Bentsen
Berman
Blagojevich
Blumenauer
Bonior
Borski
Brady (PA)
Brown (FL)
Brown (OH)
Capuano
Cardin
Carson (IN)
Castle
Clay
Clayton
Clyburn
Conyers
Coyne
Crowley
Cummings
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Doyle
Edwards
Engel
Eshoo
Evans
Fattah
Filner
Frank
Frost
Gephardt
Gonzalez
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hill
Hilliard
Hinchey
Hoeffel
Holden
Houghton
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Langevin
Lantos
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (NY)
Markey
Matsui
McCarthy (MO)
McCollum
McDermott
McGovern
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schakowsky
Scott
Serrano
Sherman
Slaughter
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Taylor (MS)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velazquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu

NOT VOTING—3

Becerra
Kennedy (RI)
Latham

□ 1548

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 8, the bill just passed.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING SPEAKER, MAJORITY LEADER, AND MINORITY LEADER TO ACCEPT RESIGNATIONS AND TO MAKE APPOINTMENTS AUTHORIZED BY LAW OR THE HOUSE NOT WITHSTANDING ADJOURNMENT

Mr. WAMP. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until Tuesday, April 24, 2001, the Speaker, majority leader and minority leader be authorized to accept resignations and to make appointments authorized by law or by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, APRIL 25, 2001

Mr. WAMP. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, April 25, 2001.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 877

Mr. WAMP. Mr. Speaker, I ask unanimous consent that my name be removed as cosponsor of H.R. 877.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1076

Mrs. JOHNSON of Connecticut. Mr. Speaker, I ask unanimous consent to remove the name of the gentleman from Texas (Mr. PAUL) from H.R. 1076, to which it was added mistakenly.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Connecticut?

There was no objection.

APPOINTMENT OF HONORABLE FRANK R. WOLF TO ACT AS SPEAKER PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS THROUGH APRIL 24, 2001

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
April 4, 2001.

I hereby appoint the Honorable FRANK R. WOLF to act as Speaker pro tempore to sign enrolled bills and joint resolutions through April 24, 2001.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

The SPEAKER pro tempore. Without objection, the appointment is approved.

There was no objection.

MEMBERS OF THE HOUSE TO BE AVAILABLE TO SERVE ON INVESTIGATIVE SUBCOMMITTEES OF THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

The SPEAKER pro tempore. Without objection, and pursuant to clause 5(a)(4)(A) of rule X, the Chair announces that the Speaker named the following Members of the House to be available to serve on investigation subcommittees of the Committee on Standards of Official Conduct for the 107th Congress:

Mr. GEKAS of Pennsylvania;
Mr. CHABOT of Ohio;
Mr. LATOURETTE of Ohio;
Mr. SHADEGG of Arizona;
Mr. WICKER of Mississippi;
Mr. MORAN of Kansas;
Mr. FOSSELLA of New York;
Mr. GREEN of Wisconsin; and
Mr. TERRY of Nebraska.

There was no objection.

NEWSPAPERS' RECOUNT SHOWS GEORGE W. BUSH WON ELECTION

(Mr. KINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. KINGSTON. Mr. Speaker, there has been much said about the Florida election returns, and we hear over and

over again from people that, well, Bush really did not win the election; that he stole it.

I would invite Members of the House to pick up a copy of the USA Today newspaper. It says, ''Newspapers' Recount Shows Bush Prevailed in Florida Vote.''

I am going to read the first paragraph, and keep in mind newspapers are not exactly known for being conservative instruments.

The first paragraph says, ''George W. Bush would have won a hand count of Florida's disputed ballots if the standard advocated by Al Gore had been used, the first full study of the ballot reveals.''

My, my, my. Where are all the accusers, where are all the finger-pointers to say, well, gee whiz, I was wrong, it looks like Mr. Bush is the legitimate President of the United States?

Mr. Speaker, I am going to submit this full article for the RECORD because I am sure Members in their hurry to get out of town will not have time to read this paper; but out of my concern for these Members, I want this to be in the CONGRESSIONAL RECORD and maybe they could share it with some of their friends in academia and the unions and the other great liberal institutions throughout the land.

[From USA Today, Apr. 4, 2001]

NEWSPAPERS' RECOUNT SHOWS BUSH PREVAILED IN FLORIDA VOTE

(By Dennis Cauchon)

George W. Bush would have won a hand count of Florida's disputed ballots if the standard advocated by Al Gore had been used, the first full study of the ballots reveals.

Bush would have won by 1,665 votes—more than triple his official 537-vote margin—if every dimple, hanging chad and mark on the ballots had been counted as votes, a USA TODAY/Maimi Herald/Knight Ridder study shows.

The study is the first comprehensive review of the 61,195 ''undervote'' ballots that were at the center of Florida's disputed presidential election. The Florida Supreme Court ordered Dec. 8 that each of these ballots, which registered no presidential vote when run through counting machines, be examined by hand to determine whether a voter's intent could be discerned. On Dec. 9, the U.S. Supreme Court stopped the hand count before it was completed. That gave Bush Florida's 25 electoral votes, one more than he needed to win the presidency.

USA TODAY, The Miami Herald and Knight Ridder newspapers hired the national accounting firm BDO Seidman to examine undervote ballots in Florida's 67 counties. The accountants provided a report on what they found on each of the ballots.

The newspapers then applied the accounting firm's findings to four standards used in Florida and elsewhere to determine when an undervote ballot becomes a legal vote. By three of the standards, Bush holds the lead. The fourth standard gives Gore a razor-thin win.

The results reveal a stunning irony. The way Gore wanted the ballots recounted helped Bush, and the standard that Gore felt offered him the least hope may have given him an extremely narrow victory. The vote totals vary depending on the standard used:

Lenient standard. This standard, which was advocated by Gore, would count any alteration in a chad—the small perforated box that is punched to cast a vote—as evidence of a voter's intent. The alteration can range from a mere dimple, or indentation, in a chad to its removal. Contrary to Gore's hopes, the USA TODAY study reveals that this standard favors Bush and gives the Republican his biggest margin: 1,665 votes.

Palm Beach standard. Palm Beach County election officials considered dimples as votes only if dimples were found in other races on the same ballot. They reasoned that a voter would demonstrate similar voting patterns on the ballot. This standard—attacked by Republicans as arbitrary—also gives Bush a win, by 884 votes, according to the USA TODAY review.

Two-corner standard. Most states with well-defined rules say that a chad with two or more corners removed is a legal vote. Under this standard, Bush wins by 363.

Strict standard. This ''clean punch'' standard would only count fully removed chads as legal votes. The USA TODAY study shows that Gore would have won Florida by 3 votes if this standard were applied to undervotes.

Because of the possibility of mistakes in the study, a three-vote margin is too small to conclude that Gore might have prevailed in an official count using this standard. But the overall results show that both campaigns had a misperception of what the ballots would show. The prevailing view of both was that minority or less-educated Democratic voters were more likely to undervote because of confusion.

Gore's main strategy throughout the post-election dispute was to secure a recount of any kind in the hope of reversing the certified result. Bush's strategy was to stop the recount while he was ahead. But his views on how recounts should be done, in the counties where they were underway, would have been potentially disastrous for him if used statewide.

Bush and Gore were informed Tuesday of the new study's results. Both declined comment. But White House spokesman Ari Fleischer said, ''The President believes, just as the American people do, that this election was settled months ago. The voters spoke, and George W. Bush won.''

The newspapers' study took three months to complete and cost more than $500,000. It involved 27 accountants who examined and categorized ballots as they were held up by county election officials.

The study has limitations. There is variability in what different observers see on ballots. Election officials, who sorted the undervotes for examination and then handled them for the accountants' inspection, often did not provide exactly the same number of undervotes recorded on election night.

Even so, the outcome shows a consistent and decisive pattern: the more lenient the standard, the better Bush does. Because Gore fought for the lenient standard, it may be more difficult now for Democrats to argue that the election was lost in the chambers of the U.S. Supreme Court rather than the voting booths of Florida.

The study helps answer the question: What would have happened if the U.S. Supreme Court had not stopped the hand count of undervotes?

However, it does not answer all the questions surrounding another set of Florida ballots: the 110,000 ''overvotes,'' which machines recorded as having more than one presidential vote. These ballots were rejected by the machines and were considered invalid. Some Democrats say if all of Florida's overvote ballots were examined by hand to learn voters' intent, Gore would have prevailed.

USA TODAY, The Miami Herald and Gannett and Knight Ridder newspapers also are examining Florida's overvotes for a study to be published later this spring. Overvotes contain some valid votes, mostly instances when a voter marked the oval next to a candidate's name and then wrote in the name of the same candidate.

No candidate requested a hand count of overvotes and no court—federal or state—ordered one. The U.S. Supreme Court cited the state court's failure to include the overvotes in its recount order as an example of arbitrariness.

Immediately after Gore, conceded the election to Bush, The Miami Herald began to evaluate what might have happened if the U.S. Supreme Court had not stopped the recount of undervotes.

Florida is one of the few states that permit members of the public to examine ballots after they've been cast. The Miami Herald and the BDO Seidman accounting firm began examining ballots on Dec. 18. USA TODAY joined the project in January. The last undervote ballot was examined March 13.

Florida law requires that political parties be notified of ballot inspections. The Republican and Democratic parties took different approaches to the three months of ballot inspections.

The Democrats took a hands-off approach. They rarely showed up at election offices during the evaluation. ''We want to see what you find. It's not our role to be at the table with you,'' Tony Welch spokesman for the Florida Democratic Party, said during the newspapers' study. ''If we're spinning and the Republicans are spinning, people won't believe the result.''

He said at the time that the party expected the outcome would show that Gore receive more votes than Bush.

By contrast, the Republicans attended every ballot inspection. They devoted hundreds of days of staff and volunteer time. The party delayed cutting its post-election staff of field directors from 12 to 6 so it could staff the ballot inspections. Some Republicans took meticulous notes on the contents of the ballots. Others just watched. The Republican Party of Florida published a daily internal memo called ''Reality Check,'' which critiqued the media efforts to examine ballots.

In an interview before the results were released, Mark Wallace, a Republican lawyer assigned to critique the media inspections, said, ''The media appear ready to offer unprecedented liberal standards for judging what is a vote. The appropriate legal standard is what was in place on Election Day: cleanly punched cards only.''

Before this election, almost nothing was known by the public and by political parties about what types of marks appear on undervotes and overvotes, which make up about 2% of ballots cast nationally. The newspapers' study shows both parties predicted incorrectly which of these ballots would help them.

Democrats and Republicans noted that voter errors on punch-card voting machines were most frequent in low-income and predominantly minority precincts. Because these voters tend to vote Democratic, the disputed votes were assumed to be a rich trove of support for Gore.

Likewise, both parties noted that the 41 Florida counties that used optical-scan ballots, a system similar to standardized school tests, tended to vote Republican.

Bush supporters attacked Gore for asking for hand counts in three Democratic-leaning counties. If any hand count occurred, it should include the Republican-leaning optical-scan counties, too, the Bush supporters said.

The USA TODAY/Miami Herald/Knight Ridder study shows that the Democratic and

Republican assumptions were largely wrong. The under-vote ballots actually break down into two distinct categories:

Undervotes in punch-card counties. In the 22 punch-card counties in which BDO Seidman examined undervotes, 56% of the 35,761 ballots had some kind of mark on them.

The study found that punch-card undervotes correlated less to race of party affiliation than to machine maintenance and election management. Counties that maintain machines poorly—not cleaning out chads frequently, for example—have plentiful undervotes. The study shows that when undervotes are had counted, they produce new votes for the candidates in proportions similar to the county's official vote.

For example, in Duval County, where Jacksonville is the county seat, Bush defeated Gore 58%–41%. Among the undervotes, Bush defeated Gore 60%–32% under the lenient standard and by similarly comfortable numbers under all standards. Bush picked up a net of 930 votes, including 602 dimples.

Likewise, in Miami-Dade, where Gore hoped to score big gains, he received 51% of the marked undervotes, about the same as the 52% that he got in the official count.

Undervotes in optical-scan counties. In the 37 optical-scan counties in which BDO Seidman examined undervotes, one third of 5,623 ballots had discernible votes.

The most common was when a voter made an X or check mark, rather than filling in the oval properly. Other common errors included circling the candidate's name or using a personal pencil or pen that couldn't be read by the machine. Black ink that contains even a trace of red will not register on many vote-counting machines, even when the mark appears pure black to the human eye.

The study shows that these errors were disproportionately common among Democratic voters. For example, in Orange County, home of Orlando, Gore edged Bush 50%–48% in the election. But Gore won the undervotes by 64%–33%, giving him a net gain of 137 votes. That accounted for half of the 261 votes Gore gained in optical-scan counties, which Bush won overall by 53%–44%.

The study found that optical-scan counties are the only places where Gore actually picked up more votes than Bush: 1,036 to 775 for Bush.

In the punch-card counties, where Gore had placed his hopes, his chances of winning a hand count were washed away. On dimples alone, Bush gained 1,188 votes. When all the possibilities are combined—dimples, hanging chads, clean punches—Bush outdid Gore by 8,302 to 6,559.

USA TODAY's analysis is based on accepting Bush's official 537-vote margin. This figure includes hand counts completed in Broward and Volusia counties before the U.S. Supreme Court intervened.

The newspaper also accepted hand counts completed in Palm Beach, Manatee, Escambia, Hamilton and Madison counties, plus 139 precincts in Miami-Dade.

These hand counts, which were never certified, reduced Bush's lead to 188—the starting point for USA TODAY's analysis.

The newspaper excluded these counties from its analysis. However, BDO Seidman collected data in these counties, and they are available on USATODAY.com.

In the end, Florida's presidential election remains remarkably close by any standard: 2,912,790 to 2,912,253 in the official count.

In an election this close, the winner often depends on the rules and how they are enforced.

BATAAN IS SYNONYMOUS FOR BRAVERY

(Mr. FILNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FILNER. Mr. Speaker, I rise today close to the 59th anniversary of Bataan Day, April 9, 1942, to recognize the brave soldiers who were captured on this day and forced into the infamous Bataan Death March.

I was honored to travel to the Philippines a few years ago to commemorate this day with then-President Ramos.

The fall of Bataan in World War II involved the surrender of 70,000 soldiers, 12,000 of whom were Americans and 58,000 Filipinos. Many died on the death march, and those who survived were imprisoned under inhumane conditions where countless more died.

These soldiers and their comrades foiled plans for a quick takeover of the region and allowed the United States the time needed to prepare for victory in the Pacific. We can recognize their courage and bravery by passing H.R. 491, the Filipino Veterans Equity Act, which would recognize the great courage and bravery of the Filipino veterans in World War II and specifically on Bataan Day April 9, 1942.

WE MUST MAKE SURE THAT THE FUTURE IS ONE IN WHICH ALL THE PEOPLE OF THE WORLD CAN SURVIVE

(Mr. KUCINICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KUCINICH. Mr. Speaker, recently the administration made the decision to set aside years of work of people from all over the world to deal with the problem of global climate change. All over the United States we have seen the evidence of change in a global climate. We have seen conditions of excessive heat in the South. We have seen tornados occur where they never occurred before. We have seen floods occur, 100-year floods occurring, every few decades and even more frequent than anyone could ever imagine.

We need to come together as a Nation and as a world to address the issue of global climate change. Man-made activities are forming and affecting our global climate, and we owe it to ourselves and to our children and to future generations to start now to do something about bringing down CO_2 levels and to do something about addressing global climate change.

It is a reality. We have to start preparing for the future, and we must make sure that the future is one in which all the people of the world can survive. America has a responsibility to the world to begin the work of cleaning up our environment.

IT IS TIME THAT CHINA LET THE CREW OF THE DOWNED EP–3 COME HOME

(Mr. CUNNINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CUNNINGHAM. Mr. Speaker, I would like to cover real quickly the EP–3 incident with China. Some of my colleagues had questions. From the time the aircraft was hit, the EP lost 8,000 feet. I am sure the crew inside thought that those were their last minutes. They had 20 minutes to make a determination with a single-engine gone, another engine damaged and the entire front of the airplane off.

Some of my colleagues say, why did they not fly to other places? The chances for fire and explosion on that airplane were very high.

Secondly, we are in a non-Cold War situation. The rules of engagement dictated that they fly and land that airplane to save the crew.

Why not ditch the airplane? The EP–3 has probably got a minute and a half from the time it hits the water. It is not like pulling over to the side of the road and changing a tire. Half the crew is going to be lost.

Why not bail out? The closest rescuer or destroyer was over 12 hours away, which would have put them there about 11:00 at night. It was not an option.

Our crew did a good job. They had 20 minutes to get rid of all the classified material, which we think that they were able to do. I think they did a good job. I think we owe them a lot of our appreciation, and it is time that China let them come home.

NAMES OF SURVEILLANCE EP–3 CREW MEMBERS DOWNED IN CHINA

Mr. KIRK. Mr. Speaker, continuing on that theme, I want to read the names of the crew: Richard Bensing, Steven Blocher, Bradford Borland, David Cecka, John Comerford, Shawn Coursen, Jeremy Crandall, Josef Edmunds, Brandon Funk, Scott Guidry, Jason Hanser, Patrick Honeck, Regina Kauffman, Nicholas Mellos, Ramon Mercado, Shane Osborn, Richard Payne, Kenneth Richter, Marcia Sonon, Jeffrey Vignery, Wendy Westbrook, Rodney Young, Richard Pray and Curtis Towne. Twenty-four Americans, day four of their being held in China. It is time to bring them home, Mr. Speaker.

SALUTE TO SCOTT GUIDRY BEING HELD IN CHINA AGAINST HIS WILL

(Mr. WELDON of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON of Florida. Mr. Speaker, I rise to salute Scott Guidry of Satellite Beach. He is a constituent of

mine who is being held in China against his will.

The EP–3 military aircraft is sovereign U.S. territory. Under the 1944 Chicago Convention signed by China, that is considered sovereign U.S. territory and should be returned to the United States. China has chosen to ignore that agreement, along with many others over the years.

I would encourage every American who is going to go shopping over the next few days to look at the labels on the products they are going to purchase and see if it is made in the U.S.A. or it is made in China. I would encourage every American to stand in solidarity with all those servicemen being held against their will and send a message to our friends in China that they are doing something they should not be doing. We certainly join with all the families of all those airmen, naval officers, naval enlisted, who are being held overseas with our thoughts and prayers that we are with them. It is time that they be sent back.

□ 1600

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. GRAVES). Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

MENTORING FOR SUCCESS

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

Mr. OSBORNE. Mr. Speaker, a few years ago I ran across a study which was done on the Fullerton, California, public schools in 1940. It was kind of interesting, the number of the concerns that the teachers in the Fullerton, California, public schools had at that time. Number one was talking in class, number two was chewing gum in class, number three was not putting waste paper in the waste paper basket, and number four was getting out of turn in line when going from one class to another.

More recently I saw this study replicated when they went back to the Fullerton, California, public schools and asked the teachers what their main concerns were, and this is what the list read like. The number one concern was drug abuse, weapons in school, gangs, teenage pregnancy, teenage suicide, alcohol abuse, violence and so on.

So, in the last 50 to 60 years, we have seen an amazing shift in our culture. I guess over 36 years of coaching, I saw some of the same changes, the same dynamics in some of the young people I was dealing with.

So I guess I have asked myself from time to time, what has caused this shift? I think really two basic elements that I can point to. One is family disintegration. Currently one-half of our children grow up without both biological parents, and back in the 1940s and the 1950s, this percentage was probably no more than 5 or 10 percent. We have 18 million fatherless children in our country today. When your dad does not care enough to stick around to see what you look like, it leaves a vacuum in your life, it leaves a hole that you are oftentimes trying to fill with all the wrong things. So fatherlessness is a huge problem. The out-of-wedlock birth rate has gone from 5 percent in 1960 to 33 percent today. So the family structure has definitely changed.

Secondly, I think there have been some things that I would refer to as the unraveling of the culture. I think almost everyone is aware of the fact that we are living in the most violent Nation in the world for young people. We have the highest homicide rate, the highest suicide rate for young people of any civilized nation or any nation anywhere.

Thirdly, drug and alcohol abuse has certainly become rampant and a very virulent problem in our society, and, of course, there has been a media influence that I think at times some of the music, some of the television, some of the movies that young people are exposed to has been a problem.

So, we may say that I have outlined a lot of problems. What are the solutions? We need some answers. I guess one of the things that I would point to that has proven to be effective is mentoring. A mentor is someone who supports, affirms, provides stability, provides a vision of what is possible for a young person. I guess in athletics I saw this very graphically borne out, because if you told an athlete or a player that he was not very good, that he did not have a future, that he was limited in talent, it would not be long before he would begin to play down to that expectation, and usually he would leave the team before very long. But on the other hand, if you said, I see a great deal of potential, I see some talent, I see some things where you could be a great player, many times that player will begin to perform in a way that he himself did not even begin to expect. So affirmation is critical.

Basically, that is what mentoring is. It is affirming. It is supporting. It is telling somebody they can do it.

So mentoring actually works. There are studies that have shown realistically that people who are mentored, who are in good mentoring programs, young people will be 52 percent less likely to skip school, 50 percent less likely to begin using drugs, 36 percent less likely to lie to a parent, 30 percent less likely to commit a violent act of any kind, and they are less likely to drop out of school, and have better relationships with friends and family.

So for that reason I am introducing today a bill called Mentoring for Success. What this bill does is it provides grants to expand mentoring through new programs and existing programs throughout the country that supposedly, I believe, would probably reach about 200,000 young people in our country. It also would provide for training of mentors, background checks on mentors; and it would study the long-term effects of different types of mentoring programs. Right now there are a lot of them out there. We do not know exactly what is most effective, and this would provide for a study that would provide more data and more information.

Currently we spend billions of dollars on incarceration, on juvenile justice programs, and once someone is caught up in the juvenile justice system or the criminal justice system, oftentimes they just do not get out of it. So we need to spend more time on the front end of the process, and mentoring is certainly a very viable alternative and something that I hope that all people would certainly consider.

Mr. Speaker, this bill is very important. I think it is something that we really cannot afford not at this time to address.

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

(Mr. BLUMENAUER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

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

(Mr. BILIRAKIS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

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

(Mr. BROWN of Ohio addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

THE TIME IS RIGHT FOR TAX REFORM

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

Mr. LINDER. Mr. Speaker, today the House of Representatives completed the third piece of President Bush's promised tax relief agenda. I have been proud to support President Bush with my vote in favor of all three of the components of this proposal.

But now that we have succeeded in the House with tax relief legislation, we must begin to turn our attention toward tax reform legislation. For that reason, I have come to the well of the House today to tell my colleagues that soon I will introduce in the 107th Congress my fair tax proposal. This proposal, which will be introduced as H.R.

2525, as it was in the 106th Congress, is bipartisan, cosponsored by the gentleman from Minnesota (Mr. PETERSON), my Democrat colleague.

This is a serious proposal supported by academic research from Harvard, Stanford, Boston University, MIT, and more, and it is a popular proposal being supported by the over 400,000 members of Americans for Fair Taxation, and having had nearly $20 million privately raised and spent on economic and market research to support this effort.

Mr. Speaker, let me tell my colleagues what we discovered. There is not a mechanism for a business to pay a tax. I have had several businesses in my life, and I never had that secret drawer where money piled up behind me to pay the corporate share of the payroll tax, the corporate income tax, or the accountants and attorneys to avoid the tax. It all gets embedded in the value of the product that is purchased by consumers, and the only taxpayers in the world are consumers who finally consume the product and all of the taxes embedded in it. Research we have had done at Harvard's economics department suggests that 22 percent of what one pays for at retail for personal consumption is the embedded cost of the IRS.

My friends, a fair tax is a national retail sales tax with a rate of 23 percent. You will pay 1 percent more for your cost of living, but you will get to keep your whole check, the whole check, including the payroll tax will no longer be taken out.

By authorizing this one sales tax, we will eliminate the personal income tax, the business income tax, the payroll tax, the death tax, the capital gains tax, the sell-employment tax, and the gift tax. And, in doing so, we eliminate the IRS and all of its associated problems.

If anyone read this morning's Washington Post, Treasury Department employees, acting as citizens, making phone calls to the IRS helpline to get help with tax returns, tell us that 47 percent of the responses they received from the IRS people were in error. That is up from 25 percent 4 years ago. But our Treasury Department in which the Social Security resides tells us that 47 percent of their responses are wrong. They do not understand the system. It is time for it to go away.

I believe that the time for tax reform has come. While I certainly believe that the fair tax is the best change, I believe we should have an open debate on others. I am willing to talk about the flat tax. It is better than the current system. I also believe that we virtually passed the flat tax in 1986 with only two levels of taxation and eliminating many of the deductions, and we have amended it 6,000 times since then. For as long as we know something about you and where you make your income and how much you make and how you spend it and invest it, we can find ways to tax it. America deserves this debate so we can totally revamp the system.

Mr. Speaker, it has been said that the sales tax is regressive and hits most heavily on the poor. I want to say that the poor are paying it. Everything that anyone, rich or poor, buys has a 22 percent burden of the embedded cost of the IRS. Getting rid of the IRS will undo that burden. We also provide a rebate at the beginning of every month, for every household, rich or poor, to offset the entire tax consequences of spending up to the poverty line. The Federal Department of Health and Human Services tells us that poverty-level spending, which is $8,500 for a household of one or $25,000 for a household of 5, will be enough spending to provide the necessities, the essentials of living, food, clothing, health care, housing. We believe that anyone should be able to buy those essentials with no tax consequences, and our rebate will cover those.

Mr. Speaker, if anyone is interested in becoming a part of this effort, contact me or the gentleman from Minnesota (Mr. PETERSON). We cannot change this world alone, but with the help of our colleagues and the enthusiasm of America, we will.

SUPPORT THE MENTORING FOR SUCCESS ACT

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

Mr. KELLER. Mr. Speaker, I rise today in support of the Mentoring for Success Act which we filed earlier today. This bill authorizes $100 million for competitive grants to be allocated by local school districts and nonprofit community-based organizations for the purpose of starting up mentoring programs for high school students, to encourage them not to drop out of high school, to reduce their involvement in gangs, and also to improve the performance for children, elementary and middle schools.

The chief sponsor of the Mentoring for Success Act is the gentleman from Nebraska (Mr. OSBORNE). I am proud to be the original cosponsor of this important legislation.

I would like to address just three points today. First, I would like to talk a little bit about the background of the sponsors of this bill and why it is so important to us. Second, I would like to talk about the educational benefits of this bill. Third, I would like to talk about the crime prevention benefits of this bill.

First, with respect to the sponsor of this legislation, there is probably no Member of Congress who has had more success with mentoring young people than the gentleman from Nebraska (Mr. OSBORNE), a former coach.

□ 1615

Coach Osborne led the Nebraska Cornhuskers football team to three national championships, and he has the winningest coaching record in the history of college football.

As for me, my background in this area is far more humble than Coach Osborne's. However, I did have the privilege of serving as the volunteer Chairman of the Board of the Orlando-Orange County Compact Program, the largest mentoring program in the State of Florida. I also had the privilege of serving as a mentor myself to two students at Boone High School in Orlando, where I attended.

I have been a big believer in mentoring programs since I was a small child. Back when I was in elementary school, my mom, who was a single parent, thought it would be a good idea for me to have a mentor. She went down to the Big Brothers Big Sisters organization and arranged for me to have a mentor.

My mentor throughout my childhood was a man named Tom Luke. Tom has worked for the Orlando Sentinel, which is a local paper in Orlando, Florida, for the past 28 years as their manager of the computer services department.

Tom, along with my mom, played a very key role in mentoring me as a child. They are, in large part, responsible for whatever success I may have today.

Mr. Speaker, I would now like to address the educational benefits of the Mentoring for Success Act, particularly as it relates to preventing children from dropping out of high school.

In my home State of Florida, we had a big problem: Only 53 percent of our children were graduating from high school. So we in the Orlando area decided to do something about it. We created what is known as the Orlando/Orange County Compact Program. That is a mentoring program that matches up students who are at risk of dropping out of public high schools with mentors from the business community who work with these young people 1 hour a week. It is sort of like a Big Brothers Big Sisters program.

The results from this mentoring program have been dramatic. Over the past 10 years, 98 percent of the children in the Compact Program in Orlando have graduated from high school, the number one graduation rate in the United States. Let me give just one example of how this program is successful, because this is exactly the type of program that the Mentoring for Success Act seeks to create.

There was a young 18-year-old African American man named Lenard who was attending Jones High School, which is an inner city school in Orlando. Lenard was struggling in school. He was making Ds and Fs. He was skipping school. He had been arrested for selling drugs. He announced that he was intending to drop out of school.

Lenard agreed to be in the Compact Program on one condition. He said, Just do not give me a white mentor. Naturally, we assigned Lenard a white mentor, an AT&T executive named Paul Hurley. To make a long story short, Lenard's mentor developed a friendship with him, and met with him

every week. By Lenard's senior year, he went on to become Orange County's student of the year.

In his senior year, Lenard won a raffle at Jones High School. The winner got two tickets to the Orlando Magic basketball game, great seats. He called his mentor and said, ''Hey, I just won two tickets to the Orlando Magic game tonight.'' His mentor replied, ''That is great. Why don't you ask your best friend?'' Lenard said, ''That is why I called you.'' Mentoring makes a difference, one child at a time.

Finally, I would like to discuss the crime prevention benefits of this important legislation. In Florida, 70 percent of the inmates in our jails and prisons are high school dropouts. It costs the taxpayers $25,000 a year for each of these prisoners in our Federal prisons, compared to only $5,000 a year to educate a child in the public schools.

Clearly, making this small investment in mentoring now will save us hundreds of millions of dollars down the road in reduced prison and welfare costs.

In summary, the Mentoring for Success Act sponsored by Coach Osborne and myself will make a meaningful difference in the lives of young people, will improve education, will prevent crime, will save us money, and I urge my colleagues to cosponsor this legislation and vote yes on this important bill.

APPOINTMENT OF MEMBER TO PERMANENT SELECT COMMITTEE ON INTELLIGENCE

The SPEAKER pro tempore (Mr. GRAVES). Without objection, and pursuant to clause 11 of rule X and clause 11 of rule I, the Chair announces the Speaker's appointment of the following Member of the House to the Permanent Select Committee on Intelligence to fill the existing vacancy thereon:

Mr. PETERSON of Minnesota.

There was no objection.

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

(Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

SHIPBUILDING

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

Mr. SKELTON. Mr. Speaker, events are once again turning the world's eyes to the Pacific. Indonesia continues to be unsettled. North Korea is abandoning its move towards conciliation. And every American is aware of the provocative actions recently undertaken by China in holding 24 Americans captive.

Secretary Rumsfeld has stated that this administration will put a new emphasis on the Pacific. That is wise. But to carry out that intention across such a broad expanse of water will require ships.

Demand for naval forces has not gone away with the Cold War; it has increased. Yet, at current build rates, the overall fleet will sink below 300 ships before the decade is out, on a course for Davy Jones' locker. We are already missing missions today. How dire will the situation be with a 200-ship fleet?

I am not much given to dramatic statements, Mr. Speaker, but let me say this clearly: America should rebuild its Navy, and we should begin now.

To rebuild requires far more than simply stabilizing the size of the fleet. The Navy does not get anywhere by treading water. Instead, we have to reverse the trend in shipbuilding. A wise man used to say that the Navy is moving to a smaller fleet to meet its worldwide commitments, but the world is just as wide. That man's name was Norman Sisisky, and nobody in this House, nobody was more dedicated to reversing the trend in shipbuilding than our good friend from Virginia.

By the way, I believe that ''Norman Sisisky'' would make an excellent name for a capital ship.

Why build more ships? Because it is presence, American presence, that helps avoid war: presence in peacetime, at pierside, showing our allies tangible proof of American support; and presence in the theater, exercising, working with allied navies, and serving notice to all that America is not thousands of miles away, it is just over the horizon. Naval presence is an open hand that can quickly become an iron fist should the need arise.

We can focus on the Pacific all we like, but maintaining a strong naval presence there requires more ships than we have now. Then, what of our commitment to Europe, the Atlantic, the Mediterranean, the Middle East?

Ships require sailors. Sea duty is hard and challenging. It can be heartbreaking. The sailor is the backbone of the Navy. While some question whether sea duty is still that service's highest calling, there is no doubt in the mind of this son of a sailor that it should be.

It is not just the duties at sea that make the sailors so valuable, it is their presence in foreign ports, showing citizens around the world that Americans are open, friendly, and interested in their country. That is as much a benefit of naval presence as the speedy response to crises that may emerge.

A rebuilt Navy should be able to operate from shoreline to shoreline, on the surface, above, and below. That will require a range of ships: small ships, to operate in close; medium ships, to provide cover for the smaller ships in shore, but able to keep station with battle groups as needed; submarines, capable of operation in all waters and able to carry land attack missiles and support special operations forces; and heavy capital ships, to maintain freedom of the seas.

Ships do not just happen, we must build them. We must equip them. We must provide a trained and ready crew. That all takes resources and commitment, resources from Capitol Hill and a commitment, beginning with the CNO and including every sailor in the fleet.

That is why a larger Navy must be in the budget from the start, particularly this year. The Navy cannot rely on Congress to add money above the top line to make up for its own budget shortcomings. For years, we in Congress added money to the administration's defense budget. I do not believe that we will so readily revise the new administration's plans.

But I do not doubt that with support in the administration budget, Congress will follow. As Members of Congress, the purse is our responsibility. Without a doubt, ships are expensive. Building more ships is more expensive, but not being where we are needed when we are needed there is the most costly of all.

I believe in my heart that one ship flying the American flag alongside one foreign pier makes friends, warns enemies, and ultimately reduces the need to send many more ships out on the high seas.

To provide presence, we need hulls. To engage in littoral, we need hulls. To do the job we ask the Navy to do, we need hulls.

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

(Mr. JONES of North Carolina addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

(Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

URGING MEMBERS TO SUPPORT LEGISLATION TO CLARIFY LAW REGARDING FUNDRAISING BY NONPROFIT ORGANIZATIONS

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

Mr. EHRLICH. Mr. Speaker, I rise today to announce the introduction of legislation that would help clarify the law regarding fund-raising by nonprofit organizations.

I want to first recognize and thank the gentleman from Indiana (Mr. BURTON), the chairman of the Committee on Government Reform, who is sponsoring this bill with me for his leadership on this important issue.

Congress recognized the many important and worthwhile activities of nonprofits by establishing a nonprofit mail

rate for charities, churches, educational advocacy, and other nonprofit organizations. These are enumerated in the Postal Reorganization Act of 1970.

One of Congress's objectives was to make it more affordable for nonprofits to collect donations to fund their activities. For a mail piece to be eligible for the lower rate, Congress prescribed two requirements: First, the organization or mailer must be qualified to mail at the nonprofit rate; and second, the qualified organization must own the mail piece.

Over the last several years, Mr. Speaker, the United States Postal Service, which has made great strides under Postmasters Runyon and Henderson, has increasingly applied the statutory standard of ''ownership'' in a way that may have a chilling effect on the use of nonprofit mail rates to obtain donations for charity, education, and advocacy.

The purpose of the bill that the gentleman from Indiana (Chairman BURTON) and I are sponsoring is to clarify ambiguities existing in both law and postal service regulations with respect to fund-raising.

The bill clarifies the law so the postal service does not read the statutory ''ownership'' test so literally as to disqualify fund-raising mail sent by otherwise eligible nonprofit organizations that negotiate a risk-sharing agreement with respect to their fund-raising mail.

In my view, Mr. Speaker, it is imperative that otherwise qualified nonprofit organizations be able to secure donations at the lowest possible cost. When nonprofits conduct activities that further purposes enumerated in the statute, for example, to provide safety net social services, they ease the burden on taxpayers and deliver high quality services to all Americans.

This Congress is asking nonprofits to provide services the government has traditionally been ineffective and inefficient in providing. Given this purpose, it would be irrational for Congress to limit use of the nonprofit bill rate only to fund-raising campaigns that raise donations sufficient to pay mailing costs.

It is important to point out that our bill is not a back door to allow unauthorized parties to mail at the nonprofit rate. Current law restricts an otherwise qualified organization from utilizing the nonprofit rate to sell goods or services. Seeking a donation, however, is different from promoting the sale of a product or service.

Furthermore, Mr. Speaker, Congress has instituted reforms limiting a nonprofit's use of the special mail rate to sell products and services. This bill does not affect the reforms Alaska Senator Ted Stevens set in motion in the 1980s in that regard.

This bill also recognizes the subsequent reform Congress enacted to require sales promoted at the nonprofit rate to be substantially related to the purpose for which the nonprofit qualified for the nonprofit rate.

More importantly, Mr. Speaker, this bill does not limit the postal service's authority to enforce any other section of the Federal postal statutes. Accordingly, the postal service retains all of its tools to discover and prosecute fraud, a mission I strongly support.

The problem addressed by this bill is the postal service's present interpretation of the statutory ''ownership'' standard, which is causing litigation and inconsistent application in nonprofit fund-raising cases.

Respectfully, I ask my colleagues to join me in supporting this important legislative measure.

□ 1630

MANAGED CARE REFORM, PATIENT ACCESS TO SPECIALTY CARE

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

Mr. GREEN of Texas. Mr. Speaker, I rise today to continue what is a series of speeches or Special Orders on the need to reform our Nation's managed care industry. In the past I have discussed external and internal appeals processes, medical necessity, and the need for accountability. Today I would like to discuss patient access to specialty care.

Specialists fill an invaluable role in our Nation's health care system. And many of us have sought the services of a specialist because of high blood pressure, a broken arm, or migraine headaches. But oftentimes, HMOs refuse patients access to specialists because they do not have such specialists in their network or they are across town or literally unavailable.

Such is the case of Sarah Peterson from San Mateo, California. She was born with a brain tumor that required her to see a physician who specialized in brain tumors. But her HMO, which was obtained through her father's employer, told her mother that she would not be able to see a pediatric specialist. She was told, what difference does it make, cancer is cancer.

Well, it does make a difference if you are the parent of a child with a potentially deadly tumor. While Sarah was fighting for her life, her parents were fighting an HMO to get her the quality health care they were paying for. This situation could have had dire consequences; but fortunately for Sarah, her parents changed plans during the middle of this medical crisis. Sarah is now 8 years old and is doing well. But she still has a tumor and will still need to see a specialist. Hopefully, her health insurance will let her continue to see that specialist.

The prognosis is not as promising for young Kyle of Bakersfield, California. Kyle began having ear problems when he was 6 months old. After months of corrective measures, antibiotics, infections, and finally a ruptured eardrum, Kyle's HMO referred him to an ENT. The ENT performed surgery to put tubes in Kyle's ears which would allow for the drainage of the infected fluids, but that surgery was too little too late. After 10 days, Kyle's ears began to bleed. Had the HMO followed the advice of the ENT, they would have given Kyle a CAT scan to provide evidence of cholosteatoma, a severe infection that destroys the bone in the inner ear. But again, the HMO denied this vital test, and Kyle's ear problems continued along, undiagnosed.

Finally, after losing all patience with the HMO, his parents changed plans and were advised that their son needed this exploratory surgery. It was then that they learned of the severe nature of the cholosteatoma and that Kyle would need another surgery. After all of the waiting, surgeons had to remove all of the bones in Kyle's middle ear. Because of the delay in specialty care, combined with the HMO's denial of a simple test, Kyle's doctors anticipate he will suffer significant hearing loss as he reaches his adolescence.

A denial of specialty care was deadly for Glenn Neally, who lost his life because an HMO denied him direct access to specialty care. When Glenn's employer changed plans in March 1992, he made sure that the managed care plan would continue to cover treatment of his cardiac condition, unstable angina. His cardiologist had prescribed a strict regime of nitrates, calcium blockers, and beta blockers. He was assured that he would be able to see his cardiologist. But his HMO required him to obtain a referral for follow-up treatment by his cardiologist. Bureaucratic paperwork problems gave Glenn the run-around for 2 months, while he tried to get the proper ID cards, referrals and pharmacy cards. Even after obtaining all of this paperwork, his HMO formally denied his request that he receive follow-up visits with his previous cardiologist and instead was forced to see their participating cardiologist in May of that year.

That turned out to be one day too late for Glenn. He died of a massive heart attack on May 18, leaving behind his wife and two sons.

Mr. Speaker, I stand here today and tell story after story of the damage that occurs when people are denied access to specialty care. But what this really tells us, we need managed care reform on a national basis like the Bipartisan Patient Protection Act, H.R. 526.

This legislation ensures that patients who need specialty care can reach that specialist. It would ensure that children like Kyle and Sarah have direct access to their pediatrician.

This plan could have helped Glenn Neally because it would have ensured that plans cover specialists even outside the network. It ensures that patient care is continuous, and if provider networks change, a patient is not forced to change doctors in midstream.

These provisions are not abstract, legal, or political. These are real protections that make a real difference in saving people's lives. I hope my colleagues will consider how vital specialist care is for those who do not have access and join me in supporting H.R. 526, the Bipartisan Patient Protection Act.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1187

Mr. SANDERS. Mr. Speaker, I ask unanimous consent to have my name withdrawn as a cosponsor of H.R. 1187.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Vermont?

There was no objection.

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

(Mr. WOLF addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

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

(Mr. PETERSON of Pennsylvania addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

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

(Mr. SCHIFF addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

DETENTION OF 24 CREW MEMBERS IN CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New Mexico (Mrs. WILSON) is recognized for 5 minutes.

Mrs. WILSON. Mr. Speaker, 24 Americans are currently being detained in China under circumstances that are unacceptable. Today, the Chinese ambassador has said that the crew members are in China because the investigation is going on, and China's foreign minister has asked for an apology. The Chinese news agency, Xinhua, reports that the American ambassador was admonished and told that the U.S. has displayed an arrogant air, used lame arguments, confused right and wrong, and made groundless acquisitions against China.

America has nothing to apologize for. Our aircraft was operating in international air space when Chinese interceptors came close to investigate it. They came too close and caused a mid-air collision.

Mr. Speaker, we all know that sometimes in international politics, statements are made for internal consumption rather than for the ears of other powers. But the Chinese government needs to understand that here in Congress we are listening and watching. Their action or failure to act has consequences. This is an unusual situation in which an American military aircraft had to make an emergency landing on Chinese soil. I am supportive of the President's desire to keep this accident from becoming an international incident, but every hour that goes by without the return of our crew makes the likelihood of continued good relations between our two nations less achievable.

I have supported free trade with China and engagement with China's people. That and more is at risk, and not all of it is under the control of the President and his administration. In the coming months this House may consider China's access to the WTO, arms sales to Taiwan, military to military, cultural and scientific exchanges, as well as an array of other issues important to China.

We have allowed the Chinese government time to do the right thing. We know the difference between right and wrong. Now it is time for our servicemen and women to be returned home.

CRITICAL ISSUES FACING AMERICA'S NURSES

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

Mr. LANGEVIN. Mr. Speaker, today I would like to address critical issues facing America's nurses, which have a tremendous impact on the quality of this Nation's health care system.

As many of my colleagues know, we face an unprecedented, dangerous shortage in the number of nurses in our hospitals, extended care facilities, community health centers, nursing education, and ambulatory care settings. This shortage is due in large part to the aging nursing population, which is not being replaced by younger entrants into this field.

Moreover, data on the nursing workforce shows that staffing shortages are already occurring and recruiting new registered nurses is becoming a looming obstacle which we will not be able to overcome without swift congressional action. The current shortage will soon be compounded by the lack of young people entering the nursing profession, the rapid aging of the nursing workforce, and the impending health needs of the baby boom generation.

That is why I am proud to be an original cosponsor of legislation to improve access to nursing education, to create partnerships between health care providers and educational institutions, to support nurses as they seek more training, and to improve the collection and analysis of data about the nursing workforce.

I congratulate my colleagues in both Chambers for their hard work in crafting this comprehensive legislation, and I urge both Chambers to bring this legislation to the floor as expeditiously as possible.

An equally vexing issue concerning our hard-working nurses is mandatory overtime. Last week I joined the gentleman from California (Mr. LANTOS), the gentleman from Massachusetts (Mr. MCGOVERN), and the gentlewoman from California (Ms. SOLIS) in introducing legislation to prohibit mandatory overtime for all licensed health care employees beyond 8 hours in a single workday or 80 hours in any 14 day work period except in cases of natural disaster or declaration of an emergency by Federal, State, or local government officials, or when it is voluntary.

The practice of mandatory overtime tears at the fiber of many hard-working families. Instead of punching out at the end of an already lengthy shift and traveling home to their families, many nurses are forced to remain at work. But more than a family or labor issue, this is a fundamental public health problem with far-reaching consequences. Exhausted health care workers can inadvertently or unintentionally put patient safety at risk. A report by the Institute of Medicine on medication errors found that safe staffing and limits on mandatory overtime are essential components to preventing medication errors. An investigative report by the Chicago Tribune also found that patient safety was sacrificed when reductions in hospital staff resulted in registered nurses working long overtime hours and being more likely to make serious medical errors.

Mr. Speaker, these studies confirm the grim stories I hear from my constituents on a regular basis. In fact, last October 1,900 people participated in a 1-day strike at Rhode Island Hospital which illustrated the magnitude of this problem facing Rhode Island nurses, hospitals and patients.

I understand that hospitals need an ample supply of nurses to safely administer patient needs, and they are not to blame for our Nation's nursing shortages. But with nurses within the Lifespan Hospital network in my State working 180,000 hours of overtime, the equivalent of 22,500 extra 8-hour shifts last year, I cannot understand why Congress does not act now to stop this injustice which risks the lives of thousands of Americans each and every day.

Mr. Speaker, what happened in Rhode Island is happening across America. That is why I urge my colleagues to join the gentlewoman from California (Mrs. CAPPS), the gentleman from California (Mr. LANTOS), and me in ensuring expedient passage of both of these bills to help our hard-working nurses and to improve the kind of quality of health care that Americans expect and deserve.

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

(Mr. HYDE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

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

(Mr. CUNNINGHAM addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ESTATE TAX RELIEF

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

Mr. BAIRD. Mr. Speaker, I come to the floor today as a strong supporter of reforming estate tax. In the past 2½ years, I have voted for estate tax reform almost every time it was offered on this floor. I even voted to override President Clinton's veto of the bill.

But since then there have been significant changes in our economy and in the tax proposals before this body. This administration, the Bush administration, has put all of its political muscle behind a $1.6 trillion tax cut. The House has already used $958 billion of this amount by approving income tax rate cuts, and we have used an additional $399 billion to fix the marriage penalty and phase in an increase in the child tax credit. Together, these bills have chewed up more than $1.36 trillion, 84 percent of the total tax cut proposed by the President.

Mr. Speaker, I will say right now that I think the administration's overall proposal is too large. It is too large because we do not know whether today's surpluses will be there tomorrow, and there are other tax changes which are sure to come before this body which will cost billions more.

What are we going to do to correct the problems associated with the alternative minimum tax? What are we going to do about making permanent the R&D tax credit? What do we do about fixing other unfair aspects of the Tax Code, like reinstating the sales tax deduction?

If we want to talk about real unfairness, let us reinstate sales tax deductibility to establish fairness for Washington State residents and the residents of six other States who have no income tax but pay sales taxes and cannot deduct them from their Federal return.

Today's bill should also be about fairness. The estate tax should not burden small business, small farms and individuals who have accumulated sizable assets through years of hard work. I am frustrated that some in Congress are playing numbers games because this bill that we passed today does not solve the problem quickly enough for many folks in my district. The bulk of the estate tax bill that we passed today will not be felt for 10 years. Then what happens in 10 years? The baby boom generation retires, and we have increases in our needs for Social Security and Medicare.

□ 1645

It is unclear to me why the majority has not and will not look at other legislative proposals to solve the estate tax problems. I am frustrated with the ''my way or the highway'' approach that they have taken. That is why earlier today I voted against the rule on this bill. We should have had more and better options to choose from. It should not just be a coin toss.

The Democrats put forward a bill that would take care of the estate problem today for more than 99 percent of all Americans. I do not think that bill was perfect, but I think it contained some good ideas. And I do think if we took the best parts of the Republican bill, the best parts of the Democratic bill, cleaned up some problems, we could have had something we all supported. But that does not seem to be the way we do business around here these days.

When I came to this body, we elected a Speaker who pledged bipartisan; we elected a President recently who pledged bipartisanship, but we are not seeing it. Here was an opportunity for true bipartisanship, to get together, draw the best of both bills from both parties and come up with a real solution.

Mr. Speaker, this takes a personal note for me. A month and a half ago my father passed away. One of the last things he said to me, quite literally one of the last things, was, ''Son, I'm concerned about repealing the estate tax. I worry that we risk concentrating wealth too heavily in this country.''

Two days ago I met with the owners of a Toyota dealership who told me, ''Congressman, we are concerned that if we have too exorbitant an estate tax, we won't be able to pass our dealership on to our kids and their families.'' I met with George and Peggy Thoeni, family farmers in my district, who have worked their whole life to build a family farm, and they want to pass that on to their children.

Mr. Speaker, my father was right. So are George and Peggy Thoeni, and so are Marvin and Shirley McChord. We desperately need to reform the estate tax, but we must not do so in a way that concentrates wealth inordinately in our country and jeopardizes our financial future.

Today, I voted for both the Democratic alternative and for final passage on the final bill, but we could have done better, Mr. Speaker. In true bipartisanship we could have come together, before the bills came here, and we could have crafted something that protects family businesses and small farms today, not 10 years down the road; that does not add new burdensome regulatory complications to the Tax Code; that does not allow the very, very wealthiest people in this country to pass their estates on with no tax burden whatsoever. We could have done that, but we did not.

I would hope that before this bill finally becomes law, we do come together in genuine bipartisanship. In so doing we would honor the wishes of both my father, of George and Peggy Thoeni and the McChords. Let us do this together, and let us do it right. The people deserve our doing so.

The SPEAKER pro tempore (Mr. GRAVES). Under a previous order of the House, the gentleman from Texas (Mr. SAM JOHNSON) is recognized for 5 minutes.

(Mr. SAM JOHNSON of Texas addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. under a previous order of the House, the gentleman from California (Mr. ROHRABACHER) is recognized for 5 minutes.

(Mr. ROHRABACHER addressed the House His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois (Mrs. BIGGERT) is recognized for 5 minutes.

(Mrs. BIGGERT addressed the House Her remarks will appear hereafter in the Extensions of Remarks.)

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

(Mr. ROHRABACHER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

SPY PLANE STANDOFF

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

Mr. SHIMKUS. Mr. Speaker, the South China Sea has always been an area of constant stress for our men and women in military uniforms, especially the cat-and-dog fights that have gone on, really for many of the past years. That is why an accident was bound to happen.

China believes the U.S. plane caused the collision by making an abrupt turn while two Chinese fighter pilots shadowed it. Give me a break. The EP–3 is a lumbering turtle, while the Chinese J8s respond like nimble jackrabbits. Colin Powell has stated, ''A tragic accident took place. We regret that the Chinese plane did not get down safely. We regret the loss of life of the Chinese pilot, but now we need to move on. We need to bring this to a resolution.''

Make no mistake, the planes were operating in international airspace. By international law, the EP–3 is sovereign U.S. territory.

Earlier today two U.S. diplomats were allowed to visit 24 U.S. crew members. The detained Americans looked healthy, but China has given no indication as to when they may be released. Among these are two Illinoisans, Seaman Jeremy Crandall of Poplar Grove, Illinois, and Sergeant Mitchell Pray of Geneseo, Illinois.

The Chinese Government is treating this like we are still in the Cold War, and we are not. Our concern is we do not want this to turn into another period of constant tension and struggle and a return back to the Cold War era. But make no mistake, the United States is not a Nation to be trifled with, and our patience will only last so long. We need our crew back, we need our plane back, and we need to return to normalized relations with China. The best way to do that is for the peaceful return of both our crew members and our plane.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois (Mrs. BIGGERT) is recognized for 5 minutes.

(Mrs. BIGGERT addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

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

(Mr. GOSS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

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

(Mr. WELDON of Florida addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

BRANDON FUNK OF SHOW LOW, ARIZONA, BEING HELD BY PRC

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

Mr. HAYWORTH. Mr. Speaker, I come to the well of this House this afternoon to invoke the name of Brandon Funk of Show Low, Arizona, and 23 others, our men and women in uniform, being detained by the People's Republic of China.

Mr. Speaker, our President has been clear and unequivocal. In addressing the Communist Chinese regime, he has said simply, ''Let our people go now and return our plane.'' I support the President, as does this House, united with one voice, not a voice of Republicans or of Democrats, but one voice as Americans.

Mr. Speaker, I would appeal to the Chinese Government to understand what is at stake. They should not underestimate the resolve of the American people, and they should not mistake the genial nature of our new Commander-in-Chief or the gentility he brings to his job as a lack of resolve.

With each passing day, the People's Republic of China is placing in jeopardy its place among the community of nations, its status as an economic power, its opportunity to highlight and showcase some of the world's great events. There is a clear choice to be made.

There are a number of options available to our Nation. Mr. Speaker, I do not come here to try to abridge or in any way describe the actions our Commander-in-Chief can take, but they are numerous, with serious repercussions for the Chinese regime in Beijing.

Mr. Speaker, again I would ask the Chinese Government not to underestimate the United States of America. Secretary of State Powell struck the proper note yesterday when he offered regret over the loss of life.

The preceding speaker, the gentleman from Illinois, made it quite clear that the EP–3 surveillance plane is not a readily maneuverable craft. It does not reach supersonic speeds, with its propeller drive. Sadly, the Chinese Government chose to scramble fighters, supersonic aircraft, in pursuit of this sovereign American plane over international airspace.

As our commander-in-chief in the Pacific noted over the weekend, it is dangerous to try and play bumper cars aloft. We should commend the skill of the American pilot, who, with a severely damaged aircraft and, in what we understand now was a rapid descent, a fall of close to 8,000 feet, had the wherewithal to be able to land the aircraft, albeit in Chinese territory.

Mr. Speaker, I would suggest that the Sino-American dictionary that is employed here should be content with the expression of regret. But, Mr. Speaker, I would say to the People's Republic of China that there is nothing in this incident that the United States of America should even begin to apologize for. Are we to throw out rules of international conduct? Are we to ignore the law of sovereignty regarding open airspace? Are we to sit by with muted complaint based on the damage to our aircraft?

Mr. Speaker, I think America speaks with one voice. I am concerned about my constituent. Brandon Funk of Show Low completed his high school degree in 3½ years; such was his desire to serve America in the military. Mr. Speaker, to Brandon and the 23 others, I say, remain strong, because the Nation you serve will do likewise.

OUR SERVICEMEN AND WOMEN IN CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Virginia (Mrs. JO ANN DAVIS) is recognized for 5 minutes.

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I rise today to address the situation developing in the People's Republic of China with respect to our servicemen and women.

On April 1, one of our Navy's EP–3s was involved in a midair collision with a Chinese fighter craft. Tragically, it seems that the life of the Chinese pilot was lost when his fighter crashed into the sea. Our plane was forced to make an emergency landing in the People's Republic of China. What could simply have been an accident has now spiraled into an international incident because of the PRC's unreasonableness.

Mr. Speaker, international law dictates that the PRC should not have entered our plane as it constitutes sovereign territory. This was ignored. Even after offering our regrets for the loss of their pilot and explicitly offering our assistance in the search, the PRC demands an apology.

Mr. Speaker, we have offered our regrets. We have continually, over the past 8 years, time and again, shown patience with unreasonable demands put forth by the PRC. The time has come when we, as a House, should stand firm with the President and support his actions with respect to the PRC. No longer should we shrink at the prospect of standing for what is right.

Mr. Speaker, the Chinese still are in possession of our pilots. It is time that they must do what is right. The PRC must release our servicemen now, before they are perceived as hostages of a foreign nation, for that is what they will be if they are not returned in a timely manner. Should the PRC wish to engage in a timely dialogue in the future, it must take constructive actions now. It must return our plane and return our servicemen and women.

Mr. Speaker, politics should stop at the water's edge. We need to support our President.

□ 1700

A TRIBUTE TO GEORGE MIKAN: MR. BASKETBALL

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

Mr. RAMSTAD. Mr. Speaker, I rise to pay tribute to a true Minnesota legend. George Mikan, who was acclaimed Mr. Basketball in 1950 for his remarkable performances at DePaul University and with the former Minneapolis Lakers of the National Basketball Association has reached legendary status in the game of basketball and in life because of his hard work, integrity, leadership and character.

George Mikan will be honored at a nationally televised halftime ceremony during next Sunday's NBA game between the Los Angeles Lakers and the Minnesota Timberwolves. A life-sized bronze statue of George Mikan will be unveiled at the Target Center in Minneapolis. It will be a special moment for a truly special man who is most deserving of this recognition.

At 6 feet 10 inches tall, George Mikan was the first big man to display the agility, touch and skill to dominate basketball games. He was called the trunk of the NBA family tree and he helped the fledgling league draw record crowds in every city. Mikan's mere presence changed the rules of the game because he was so dominant. In fact, in an effort to stop George Mikan, the Mikan rule was invented which widened the lane underneath the basket.

With Mikan in the middle, the Minneapolis Lakers won six NBA championships in the late 1940s and early 1950s, including five of the first eight titles in the history of the NBA. On five separate occasions, George Mikan led the NBA in scoring. George Mikan is a charter member of the Naismith Memorial Basketball Hall of Fame and the Professional Basketball Hall of Fame. He was chosen one of the NBA's 50 greatest players.

But, Mr. Speaker, George Mikan's accomplishments outside basketball are just as impressive and reflect perhaps even greater determination. A successful attorney, business owner and civic leader, George Mikan was the first commissioner of the American Basketball Association. In that position, he once again helped revolutionize the game of basketball by implementing the three-point shot and other exciting changes. George Mikan has also overcome a great deal of difficulty in his lifetime. Today, George is taking on a very imposing opponent, the disease of diabetes. Again, George Mikan is showing great courage and determination and is a true inspiration to us all.

The original Mr. Basketball continues to make us proud. Today we salute him for his public service, leadership, inspiration and courage. Mr. Speaker, George Mikan is a great American and a legendary basketball player. Please join me in honoring this outstanding Minnesotan for his many contributions to the game of basketball and his many accomplishments off the court as well. George Mikan is truly deserving of this special congressional recognition.

TRIBUTE TO LU PALMER, CELEBRATED RADIO AND PRINT JOURNALIST

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

Mr. DAVIS of Illinois. Mr. Speaker, I would just add my voice to the accolades being given to George Mikan. He did his college basketball playing and attended DePaul University, which is in my congressional district. I can tell my friends from Minnesota that all of Chicago and Illinois are indeed proud of the accomplishments of George Mikan and the people at DePaul University salivate every time they hear his name. I join your comments.

Mr. Speaker, I come to the floor this evening to pay tribute to one of our country's most celebrated and most effective print and radio journalists, Mr. Latrell ''Lu'' Palmer who is retiring and will be featured at a retirement celebration on April 14 at the Reverend Johnnie Coleman Complex, 119th and Loomis in Chicago.

Lu Palmer was born in 1922 in Newport News, Virginia, and attended its schools there. He then went on to Virginia University and earned a bachelor's degree in 1942. Later on, in 1947, he earned a master's degree from Syracuse University and later on went to Iowa State University in 1955 where he completed the course work for a doctorate's degree. Lu never wrote his dissertation so he ended up with what people called an ABCD, that is, all but the dissertation degree.

Lu Palmer then went on to have an outstanding career at the Chicago Daily Defender newspaper, the Chicago Courier, the Chicago American, the Chicago Daily News, and then established his own paper, the Black X Express, which he ran for several years. He also taught for 20 years, from 1970 to 1990 for the Association of American Colleges and Universities of the Midwest where he trained a large number of students to really understand urban life. Of course, Lu also worked at WBEE Radio and WVON Radio, was the editorial director for Congressman Ralph Metcalfe's communication vehicles and served as a public relations person for Michael Reese Hospital. He established the Black Business Network, Chicago Black United Communities, CBUC, which he operated for several years, and BIPO, the Black Independent Political Organization. He established Menhelco, a mental health program for boys who were suffering from mental retardation which continues to operate.

As much of a journalist as Lu was, he was really noted more for his community action, community involvement, and was called upon to speak in colleges and universities and banquets all over the country, as a matter of fact. He generally could not keep up. Plus he was very selective and did not just accept any speaking engagement. It had to be something that he called relevant and meaningful if he was to go. Lu was very actively involved in generating outrage when Mark Clark and Fred Hampton were killed by the Chicago police, and later on was probably the single most effective voice in the election of Harold Washington for mayor of the city of Chicago because Lu had a slogan and the slogan sort of said, ''We shall see in '83,'' meaning that that is when the election was going to take place. Lu was called the drumbeat of the African American community. Everybody listened to his radio and everybody pretty much waited for WVON to come on in the evenings from 10 to 12 so that they could listen to ''On Target'' and Lu Palmer.

Lu finally decided that it was time to hang them up. He is about 80 years old with diabetes and all the other things that would afflict one. But we would hope that he would put his memoirs together and that he would spend the rest of his life writing and putting in voice some renditions of that ''We shall see in '83.''

ON BEHALF OF THE 24 CREW MEMBERS HELD BY THE CHINESE GOVERNMENT

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

Mr. LARSEN of Washington. Mr. Speaker, today I rise on behalf of the 24 crew members held by the Chinese government. These brave men and women are based at the Naval Air Station Whidbey on Whidbey Island in Oak Harbor in my district in Washington State.

I first want to call on Beijing to return our honorable service men and women home. Four days is long enough. No, 4 days is too long. Our service members need to be released immediately.

Second, I want to honor the families of these crew members, both around the country and in the Whidbey Island community of Oak Harbor where the Naval Air Station is based. Their concern over the crew members is matched only by their strength and their bravery.

So not for my sake and not for the sake of anyone in this Chamber, Mr. Speaker, but for the sake of the mothers and the fathers, the sisters and the brothers, the sons and the daughters and the wives, it is time for the Chinese government to return the crew members to their families. It is time for the Chinese government to return the plane to the United States.

CONGRATULATING UNIVERSITY OF ARIZONA WILDCATS ON THEIR OUTSTANDING BASKETBALL SEASON

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

Mr. SHADEGG. Mr. Speaker, I rise to commend and pay tribute to the University of Arizona Wildcats on their outstanding basketball season. This is truly a special team which should be lauded for their courage and for their effort in the face of very, very difficult circumstances, both on and off the court.

As a U of A alum, I closely followed their amazing story. The Wildcats' victory in entering the Final Four perfectly captured their great season. In a rough and tumble fight, in a contest that the Wall Street Journal described as ''equal parts rugby and hoops, with a little WWF thrown in,'' the Wildcats triumphed over a physically gifted University of Illinois squad. After the game, Illinois point guard Frank Williams said, ''We gave them our best punch and they survived it.''

Indeed, the University of Arizona Wildcat basketball team this year suffered a lot of punches, many thrown in their direction. Toughest of all, head coach Lute Olson suffered a blow on New Year's Day, losing his beloved wife Bobbi to ovarian cancer. Known affectionately by players and coaches and students at the U of A alike as Mrs. O, Bobbi Olson was a special person. In fact, many considered her to be the Wildcats' sixth player. Famous for her efforts on behalf of the team and the university, her efforts in recruiting and her famous apple pancakes, Bobbi Olson provided encouragement to the players and perspective to her husband. She will be dearly missed by the Olson family and by all fans of U of A basketball. I would like to express my personal condolences to Coach Olson.

Cancer is a terrible disease that affects thousands of families each year. In fact, Mr. Speaker, cancer has reared its ugly head in my family. It took the life of my mother, and my oldest sister is today thankfully a breast cancer survivor. I share Coach Olson's grief and greatly admire his strength to overcome this tragedy as he did this year and lead his team to such a wonderful and stunning season.

The individual members of the Wildcats basketball team also deserve mention. Arizona arrived in Minneapolis this past weekend with a star-studded line-up that boasted five preseason nominees for the John Wooden Award which goes to the sport's top individual collegian. Led by junior forwards Richard Jefferson and Michael Wright, center Loren Woods and a back court of Jason Gardner and Gilbert Arenas, the Cats overcame a disappointing 8–5 start to finish the season with a 20–2 run into the final game this past Monday night. Individually, these men are exceptional athletes but, more importantly, under the coaching of Lute Olson, when they played together, they formed an exceptional team. It was this unselfish teamwork that led this talented squad to the Final Four and indeed to the final game.

In an era where the best prospects see college basketball as a 1- or 2-year stopover on their way to the next level, the NBA, I would be remiss if I did not mention a rare exception, an athlete that recognizes that an education and a contribution to society are noble pursuits. The University of Arizona had such an individual in the person of Eugene Edgerson. As a freshman reserve, he played on Arizona's 1997 national championship team. However, he was also a member of this year's gifted Wildcat team because he took a break last year to complete the student teaching requirement in a kindergarten for his degree in elementary education. Then he stayed to take graduate courses when he finished his fourth year of eligibility. Eugene says he came to school both for the books and for the hoops and could not see leaving without getting the most out of both of them. Mr. Edgerson serves as a model on and off the court.

Unfortunately on Monday night, the Wildcats came up short in their quest for a second national championship. But even in defeat, they displayed the talent and grace of a championship team.

□ 1715

I want to congratulate Lute Olson. I want to congratulate all of the assistant coaches. I want to congratulate the team for its great season, for its unselfish play. You have made University of Arizona alumni like me, the student body of the U of A, the State of Arizona and fans of basketball, particularly college basketball, all across the country extremely proud. Thank you very much for a great year. I commend you all.

Our hearts and sympathies go with you, Lute. And to the team, bear down.

ARIZONA WILDCATS 2000 BASKETBALL ROSTER

No—Name, Position, Ht., Wt., Class, Hometown:

0—Gilbert Arenas, G, 6–3, 188, So, North Hollywood, CA.

2—Michael Wright, F, 6–7, 238, Jr, Chicago, IL.

3—Loren Woods, C, 7–1, 244, Sr, St. Louis, MO.

4—Luke Walton, F, 6–8, 233, So, San Diego, CA.

5—Travis Hanour, G, 6–6, 189, Fr, Laguna Beach, CA.

11—Jason Ranne, G, 6–4, 200, Fr, Tulsa, OK.

13—Andrew Zahn, F, 6–9, 254, Fr, Redondo Beach, CA.

14—Mike Schwertley, F, 6–5, 224, Fr, Phoenix, AZ.

15—John Ash, G, 5–11, 179, Sr, Tucson, AZ.

22—Jason Gardner, G, 5–10, 181, So, Indianapolis, IN.

23—Lamont Frazier, G, 6–3, 182, Sr, Los Angeles, CA.

24—Russell Harris, G, 5–11, 165, So, Mundelein, IL.

30—Justin Wessel, F, 6–8, 240, Sr, Cedar Rapids, IA.

33—Eugene Edgerson, F, 6–6, 237, Sr, New Orleans, LA.

35—Rich Anderson, F, 6–9, 213, Jr, Long Beach, CA.

44—Richard Jefferson, F, 6–7, 222, Jr, Phoneix, AZ.

Head Coach: Lute Olson.

MESSAGE FROM THE SENATE

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

H. Con. Res. 93. Concurrent resolution providing for a conditional adjournment of the House of Representatives and a conditional recess or adjournment of the Senate.

The message also announced that pursuant to Public Law 106–554, the Chair, on behalf of the President pro tempore, appoints the Senator from Tennessee (Mr. FRIST) to the Board of Trustees for the Center for Russian Leadership Development.

The message also announced that pursuant to Public Law 100–458, the Chair, on behalf of the Democratic Leader, reappoints William F. Winter, of Mississippi, to the Board of Trustees of the John C. Stennis Center for Public Service Training and Development, effective October 11, 2000.

The message also announced that pursuant to section 194(a) of title 14, United States Code, as amended by Public Law 101–595, and upon the recommendation of the Chairman of the Committee on Commerce, Science, and Transportation, the Chair, on behalf of the Vice President, appoints the following Senators to the Board of Visitors of the United States Coast Guard Academy—

the Senator from Arizona (Mr. MCCAIN), ex officio, as Chairman of the Committee on Commerce, Science, and Transportation; and

the Senator from Illinois (Mr. FITZGERALD), Committee on Commerce, Science, and Transportation.

The message also announced that pursuant to section 1295(b) of title 46, United States Code, as amended by Public Law 101–595, and upon the recommendation of the Chairman of the Committee on Commerce, Science, and Transportation, the Chair, on behalf of the Vice President, appoints the following Senators to the Board of Visitors of the United States Merchant Marine Academy—

the Senator from Arizona (Mr. MCCAIN), ex officio, as Chairman of the Committee on Commerce, Science, and Transportation; and

the Senator from Maine (Ms. SNOWE), Committee on Commerce, Science, and Transportation.

The message also announced that pursuant to Public Law 106–310, the Chair, on behalf of the Democratic Leader, announces the appointment of the following individuals to serve as members of the Commission on Indian and Native Alaskan Health Care:

Sara DeCoteau, of South Dakota.

Carole Anne Heart, of South Dakota.

The message also announced that pursuant to Public Law 106–533, the Chair, on behalf of the Democratic Leader, announces the appointment of the following Senators to serve as members of the Congressional Recognition for Excellence in Arts Education Awards Board:

The Senator from Hawaii (Mr. AKAKA).

The Senator from South Dakota (Mr. JOHNSON).

OVERALL TAX RELIEF

The SPEAKER pro tempore (Mr. GRAVES). Under the Speaker's announced policy of January 3, 2001, the gentleman from New York (Mr. GRUCCI) is recognized for 60 minutes as the designee of the majority leader.

Mr. GRUCCI. Mr. Speaker, I rise today to join my colleagues to express my tremendous support for providing America's working families with much needed, reasonable and equitable tax relief. This legislative body needed to act comprehensively and quickly to implement a reasonable and fair tax relief package that will benefit our middle-class families, small businesses, and farmers.

In New York's First Congressional District, where the cost of living is higher than in many regions of our Nation, the tax relief package we have approved will help jump start our local economy and put the money back where it belongs, in the pockets of the hard-working families.

We have helped our families through the Marriage Penalty and Family Tax Relief Act, and the Economic Growth and Tax Relief Act, and our small family businesses and farmers will benefit from our efforts here today to repeal the death tax. Through all of the components of this tax relief package, we are providing the reasonable and meaningful tax relief that our farmers, our small businesses, and our families have been calling for.

For far too long, hard-working married couples have been unfairly taxed by an average of $1,400 a year simply for the privilege of living inside the institution of marriage. In New York's First District alone, an estimated 56,134 families will receive significant tax relief under this measure. These 56,134 families could potentially put their savings towards their children's education, home improvements, a new computer, investments in their future, or a down payment on their first car.

According to the CBO, most marriage penalties occur when the higher-earning spouse makes between $20,000 to $75,000. The current Tax Code punishes working married couples by placing them in a higher tax bracket. The marriage penalty taxes the income of the second wage earner at a higher rate than if the wage earner were taxed as a single individual. This is just simply unfair.

The death tax currently taxes up to 60 percent of a family's farm or business, killing the small family-owned businesses and the stores that line the Main Streets of our downtown communities throughout this great land. These families who own farms on the east end of Long Island and the small businesses that compromise the very fabric of Long Island's economy have worked hard all of their lives. Working together with their families, they reached for the American dream, paying their taxes all the way along the way and made positive contributions to our society. They should not be penalized by being taxed again in death. That is just simply immoral, unfair, and wrong.

The Economic Growth and Tax Relief Act will give hard-working middle-class families more of their hard-earned money to be used better to offset rising costs for each and every family, costs like a college education for our young people, a mortgage payment, or they will support our small businesses and local economy. These middle-class working families earning $50,000 will see a $1,600 reduction in their taxes. That is a 50 percent cut. A family of four earning $35,000 would see a 100 percent cut. That is fair and that is reasonable.

Mr. Speaker, that is real tax relief for our middle-class working families. This package of reasonable tax relief incentives will leave more money in New York State. New York already contributes about $17 billion more in taxes to Washington than it gets back.

The Economic Growth and Tax Relief Act of 2001 alone will cut that deficit by $9.7 billion.

Now, as a former town supervisor, Mr. Speaker, I know firsthand how reasonable tax relief can help families and our local economy create thousands of new jobs and create millions of dollars of surplus. The hard-working middle-class families of the First District of New York and throughout our Nation should have their tax dollars back. We have accomplished this while we protected and locked away Social Security and Medicare funds and reduced our national debt at historic rates and set aside a trillion dollar contingency fund.

Last of all, Mr. Speaker, I would like to thank my colleagues on both sides of the aisle for working together on these critical initiatives, and I urge my colleagues in the Senate to take swift action.

MEDICARE PRESCRIPTION DRUG COVERAGE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Iowa (Mr. GANSKE) is recognized for the remainder of the majority leader's hour, approximately 30 minutes.

Ms. KAPTUR. Mr. Speaker, will the gentleman yield?

Mr. GANSKE. I yield to the gentlewoman from Ohio.

THE U.S. ECONOMY

Ms. KAPTUR. Mr. Speaker, I am very grateful to the gentleman from Iowa (Mr. GANSKE) for yielding to me to continue a Special Order that I began last night during this 5-minute segment on the condition of the U.S. economy. I am very grateful for these few minutes just to continue, as I will every evening where I have a chance.

Mr. Speaker, this relates to America's great need for a new declaration of economic independence and my great disappointment at the debate that occurred in the Congress here in the House last week concerning the tax measures that were before us and then again today, where if we count up the cumulative total of all of these measures we are talking about $3 trillion over the so-called 10-year window. This is an enormous amount of money for a country that currently has over $5.6 trillion worth of debt that we have to pay back, and every year we are paying more and more in the way of interest on that debt.

This year alone we are projected to spend well over $450 billion just on the debt alone.

In addition to that, the United States has the worst-ever current account trade deficit amounting to over $500 billion last year, that essentially requires that we sell our assets or borrow $1.5 billion a day net from foreign interests. Now, the trade deficit is basically about more goods coming into our country than our goods going out. This essentially results from flawed trade agreements that have enabled countries like the People's Republic of China, that is now holding 24 of our military personnel, to gain perhaps a $100 billion advantageous this year from their net exports to this country versus our ability to export into that economy.

So what is wrong with the Bush tax and budget plan? First, the President's tax and budget plan does not pay down the overall debt. In fact, his budget is based on what I would call wildly optimistic, 10-year projections that, in fact, cause the debt to spiral, particularly when over $3 trillion is being returned in that period to a country that still owes $5.6 trillion.

Now, it is interesting that the 10-year window is used for projections when, in fact, the President is only elected for 4 years and we here in Congress only budget one year at a time. So we cannot use a 10-year window. If experience is a good teacher, as it surely should be, we know that projections in the past have been off by vast magnitudes, sometimes as much as 75 percent in one year.

Now major revenue hemorrhages are going to occur after the year 2005 because Social Security and medical care bills will rise as more people from the baby boom generation begin retiring. The administration budget risks ratcheting up what is already a spiraling debt burden, particularly after 2005. So his proposals threaten long-term economic growth and the long-term solvency of both Social Security and Medicare.

Moreover, the administration's budget is inherently unfair, because nearly half of the tax benefits go to people earning over $900,000 a year, only the top 1 percent of earners in this country. It is no question in my mind that the President's powerful allies are setting their own table for slashing corporate income tax rates from 35 percent to 25 percent, as most corporations, many of them, do not pay taxes even now; none at all. I will be reading into the RECORD, when we return later in the month, the names of many of the corporations in our country that pay absolutely no taxes at all.

Many of these same interests want to cut the corporate capital gains tax, repeal the corporate alternative minimum tax and other technical changes like faster depreciation for faster write-offs. These corporate titans, the ones that are pushing us to make these changes here, saw their pay increases at over 535 percent over the last 10 years. Imagine that. Imagine your salary quintupling over the last 10 years. And now they want that to double again in the next decade.

Now, is there any doubt whatsoever that the measures that have been before us are truly lopsided? The shower of tax cuts for the wealthy and corporations will dramatically increase the tax burden on millions of people in the middle class. All one has to do is look at the fine print of the bill. It does nothing for low-wage workers and literally leaves out over 12½ million families with children.

The President claims that the typical family of four would get a $1,600 tax cut. However, more than 85 percent of taxpayers will get tax cuts less than that amount and many will get nothing at all. One-third of families with children in our country will get nothing from the entire package. The basic tax grab for those at the top end, along with lowering rates for only some, does absolutely nothing to lift those in our society burdened by low wages and high taxes, largely payroll taxes.

We know that the regressive payroll tax has to be adjusted, but the plan that came before us did absolutely nothing about that.

So while the rich get richer, thanks to the Bush plan, the impact of his tax schemes will cut funding for the environment in half over the next 10 years; spending on veterans will be slashed; Justice programs such as the COPS program and in-schools and community policing programs all will be cut; agriculture will be cut; transportation will be cut by nearly one-fifth with our roads jammed and our air control towers not being the most modern in the world.

We are going to see cuts in Medicare and cuts in Social Security if that program is adopted by the other body.

Not only is the administration doing nothing to ease the California energy crisis, their budget cuts certain critical Department of Energy programs as much as 30 percent.

So America really does need a new declaration of economic independence because rising interest payments on the Federal debt are at a post-World War II record high, as American family savings rates move downward.

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U.S. trade deficits are at record levels, with China now being the largest holder of U.S. dollar reserves, $100 billion more this year alone. The number of Americans who believe Social Security will be there for them when they retire is down, at the same time as we see so many families losing their 401(k) assets because of what has been happening in the stock market. The relative portion of taxes being paid by the middle class and poor Americans is going up. At the same time, the relative portion of taxes paid by American and foreign corporations making record profits in the United States as they ship jobs to the Third World is going down. Enforcement of antitrust laws is down.

So, Mr. Speaker, let me just say that the administration and its powerful allies will be back for more bites of our Republic's apple. I really do think that we need a responsible budget. We expect the President of our country to lead us to a higher calling. The future of our country and its stability should be our primary goal, not the gratification of powerful special interests that was so evident here during last week and, in fact, today.

Mr. Speaker, I want to thank the gentleman from Iowa, who has been such a voice for attention to the problems of agricultural America, for yielding to me.

Mr. GANSKE. Mr. Speaker, how much time is remaining on my time?

The SPEAKER pro tempore (Mr. GRAVES). The gentleman from Iowa (Mr. GANSKE) has 46 minutes.

Mr. GANSKE. Mr. Speaker, prescription drugs have been a health blessing for Americans. Millions of lives have been saved, prolonged, and enhanced by prescription drugs. But those same drugs have also been an economic burden for American consumers and taxpayers. The problem of rising drug costs is too important to ignore any longer, and I will tell my colleagues, this is not just a problem for the elderly.

Mr. Speaker, this is a photo of William Newton. He is 74 years old. He is from Altoona, Iowa. He is a constituent in my district. His savings vanished when his late wife Wanita, whose picture he is holding, needed prescription drugs that cost as much as $600 per month. Mr. Newton said, ''She had to have them. There was no choice.'' And then, in speaking about the whole problem of high prescription drug costs, he said, ''It's a very serious situation, and it isn't getting any better, because drugs keep going up and up.''

How about Mr. James Weinman of Indianola, Iowa, and his wife Maxine. When they make their annual trip to Texas, the two take a side trip as well. They cross the border to Mexico, and they load up on prescription drugs, which are not covered under their Medigap policies. Their prescription drugs cost less than half as much in Mexico as they do in Iowa.

That problem is not localized to Iowa; it is everywhere. The problem that Dot Lamb, an 86-year-old woman from Portland, Maine, who has hypertension, asthma, arthritis and osteoporosis, was paying for her prescription drugs is all too common. She takes 5 prescription drugs that cost over $200 total each month, and that is over 20 percent of her monthly income. Medicare and her supplemental insurance do not cover prescription drugs.

Mr. Speaker, about a year ago I received this letter from a computer-savvy senior citizen who volunteers at a hospital I worked in before coming to Congress:

''Dear Congressman GANSKE: After completing a University of Iowa study on Celebrex, 200 milligrams for arthritis, I got a prescription from my M.D. and picked it up at the hospital pharmacy. My cost was $2.43 per pill with a volunteer discount.''

He goes on, ''Later on the Internet I found the following: I can order these drugs through a Canadian pharmacy if I use a doctor certified in Canada, or my doctor can order it on my behalf through his office for 96 cents per pill, plus shipping. I can order these drugs through Pharma World in Geneva, Switzerland, after paying either of two American doctors $70 for a phone consultation, at a price of $1.05 per pill, plus handling and shipping. I can send $15 to a Texan and get a phone number at a Mexican pharmacy, which will sell it without a prescription at a price of 52 cents per pill.''

Well, this constituent closes his letter to me by saying, ''I urge you, Dr. GANSKE, to pursue the reform of medical costs and stop the outlandish plundering by pharmaceutical companies.''

Well, Mr. Speaker, I want to make it very clear. I am in favor of prescription drugs being more affordable not just for senior citizens, but for all Americans. Let us look at the facts of the problem and then talk about a commonsense solution.

There is no question that the prices for drugs are rising rapidly. A recent report found that the prices of the 50 top-selling drugs for seniors rose much faster than inflation. Thirty-three of those 50 drugs that are most frequently used by seniors rose in price at least 1½ times as fast as inflation; half of the drugs rose at least twice as fast as inflation; 16 drugs rose at at least 3 times inflation; and 20 percent of the top 50 drugs that are used by senior citizens rose at least 4 times the rate of inflation.

The prices of some drugs are rising even faster. Furosemide, a generic diuretic, rose 50 percent in 1999. Klor-con 10, a brand-name drug, rose 43.8 percent. That is not just a 1-year phenomenon; 39 of those 50 drugs have been on the market for at least 6 years. The prices of three-fourths of that group rose at least 1.5 times inflation; over half rose at twice inflation; more than 25 percent increased at 3 times inflation; and 6 drugs at over 5 times inflation. Lorazepam rose at 27 times inflation, and furosemide, a diuretic, rose at 14 times inflation.

Prilosec is one of the two top-selling drugs prescribed for senior citizens. The annual cost for this 20-milligram gastrointestinal drug, unless one has some type of drug discount, is $1,455 a year. For a widow at 150 percent of poverty, so that is an income of $12,500 a year, the annual cost of that one drug, Prilosec alone, would consume more than 1 in $9 of her total budget.

My friend from Des Moines, the Iowa Lutheran Hospital volunteer senior citizen, as do the Weinmans from Indianola with their shopping trips to Mexico for prescription drugs, know that drug prices are much higher in the United States than they are in other countries.

A story in USA Today last year, towards the end of last year, compared

U.S. drug prices to prices in Canada, Great Britain and Australia for the 10 best-selling drugs, and it verifies that drug prices are higher here in the United States than overseas. For example, Prilosec is two to two-and-a-half times as expensive in the United States. Prozac was two to two-and-three-quarters times as expensive. Lipitor was 50 to 92 percent more expensive. Prevacid was as much as four times more expensive. Only one drug, Epogen, was cheaper in the U.S. than in other countries.

Look at some of the comparison of prices between the United States and Europe. Here we have Premarin, 280 .6-milligram tablets, in the U.S., $14.98; in Europe, $4.25. How about Coumadin; that is the blood thinner. For 25 10-milligram pills in the United States, you would have to pay $30.25, but in Europe it would cost $2.85. How about Claritin? Claritin is one of the most commonly used antihistamines, very popular drug in the United States. Twenty 10-milligram tablets in the United States will cost $44; in Europe it will cost $8.75. That just gives us an example of some of the disparity between the drug costs in the United States and in other countries.

Mr. Speaker, this has been a problem for the past decade. Two GAO studies in 1992 and 1994 showed the same results. Comparing prices for 121 drugs sold in the United States and Canada, prices for 98 of the drugs were higher in the U.S. Comparing 77 drugs in the U.S. to the United Kingdom, 86 percent of the drugs were priced higher in the United States, and 3 out of 5 were more than twice as high.

Now, the drug companies claim that drug prices are so high because of research and development costs. I want to be clear. I think there is a lot of need for research. For example, around the world, we are seeing an explosion in antibiotic-resistant bacteria like tuberculosis, and we are going to need research and development for new drugs to take care of these antibiotic-resistant bacterias, as well as other types of drugs.

The industry has spent a lot of money. They spent an estimated $26 billion in research and development last year. That is up from $15 billion 5 years earlier. According to PhRMA, an industry trade group, only 1 in 5,000 compounds tested in the laboratory becomes a new drug, and it takes quite a while to get a new drug, anywhere from 12 to 15 years to bring it to market. It may cost as much as $500 million, although some suggest that that is a somewhat higher number than is actual cost, because some of those costs are actually borne by U.S. taxpayers who are involved with doing some of the basic research.

But, I would say this: Even with the cost and the risk of drug development, the industry is doing pretty good. Data from PhRMA that I saw presented in Chicago last year showed actual little increase in the last couple of years in research and development, especially in comparison to significant increases in advertising and marketing expenses. Since the 1997 FDA reform bill, advertising by drug companies has gotten so frequent that Healthline reported that consumers watch on average nine prescription drug commercials every day. Just the other night I was watching the NCAA championship game. Anyone who was watching that would know how many drug commercials were on during that game.

Take 1998 figures for the big drug companies. Marketing, advertising, sales and administrative costs exceed research and development costs. In 1999, four of the five companies with the highest revenue spent at least twice as much on marketing, advertising, and administration as they spent on research and development. Only 1 of the top 10 drug companies spent more on research and development than on marketing, advertising and administration. The real increase has been in advertising expenses.

For the manufacturers of the top 50 drugs sold to seniors, profit margins are more than triple the profit rates of other Fortune 500 companies. The drug manufacturers have a profit rate of 18 percent, compared to approximately 5 percent for other Fortune 500 companies. Furthermore, as recently cited in The New York Times, of the 14 most medically significant drugs developed in the past 25 years, 11 had significant government-financed research. For example, Taxol is a drug developed from government research which earns its manufacturer, Bristol-Myers-Squib, millions of dollars each year.

As I said at the start of this Special Order, I think the high cost of drugs is a problem for all Americans, not just the elderly, but many nonseniors are in employer plans, and they get a prescription drug discount. In addition, there is no doubt that the older one is, the more likely one is to need prescription drugs.

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So let us look at what type of drug coverage is available to senior citizens today.

Mr. Speaker, Medicare pays for drugs that are part of treatment when the senior citizen is in the hospital or in a skilled nursing facility. Medicare pays doctors for drugs that cannot be self-administered by patients; i.e., drugs that require intramuscular or intravenous administration.

Medicare also pays for a few other outpatient drugs, such as drugs to prevent rejection of organ transplants, medicine to prevent anemia in dialysis patients, and anti-cancer drugs that are taken by mouth.

The program also covers pneumonia, hepatitis, influenza vaccines. The beneficiary is responsible for 20 percent of the co-insurance of those drugs.

About 90 percent of Medicare beneficiaries have some form of private or public coverage to supplement Medicare, but many with supplemental coverage have either limited or no protection for prescription drug costs, those drugs that we buy in a pharmacy with a prescription from our doctor.

Since the early 1980s, Medicare beneficiaries in some part of this country have been able to enroll in HMOs which provide prescription drug benefits. Medicare pays the HMOs a monthly dollar amount for each enrollee. Some areas, like Iowa, my home State, have had such low payment rates that no HMOs with drug coverage are available. This is typically a rural problem, but some metro areas have unfairly low reimbursements, as well.

Employers may offer their retirees health benefits that include prescription drugs, but fewer employees are doing that. From 1993 to 1997, prescription drug coverage of Medicare-eligible retirees dropped from 63 percent to 48 percent.

Beneficiaries with MediGap insurance typically have coverage for Medicare's deductibles and co-insurance, but only three of the 10 standard plans offer drug coverage. All three impose a $250 deductible.

Plans H and I cover 50 percent of the charges, up to a maximum benefit of $1,250. Plan J covers 50 percent of the charges, up to a maximum benefit of $3,000. Premiums for those plans are significantly higher than the other seven MediGap plans because of the high cost of the drug benefit.

So let me repeat, there are three MediGap plans that currently do offer prescription drug benefits, but the premiums are significantly higher for those plans.

This chart shows the difference in annual costs to a 65-year-old woman for a MediGap policy with or without a drug benefit. For a MediGap policy of moderate coverage, she pays $1,320 for a plan that does not have a drug benefit, but she pays $1,917 for a policy with a drug benefit. If she wants more extensive coverage, she can buy a MediGap policy without drug coverage for $1,524, but it would cost her $3,252 for insurance with drug coverage.

So why is there such a price gap between the plans that offer drug coverage and those that do not? Well, it is because the drug benefit is voluntary. One has a choice whether to sign up for that, and usually only those people who expect to actually use a significant quantity of prescription drugs will sign up for a MediGap policy that has drug coverage. But because only those with high costs choose that option, the premiums have to be higher because there is a higher average expenditure.

So what is the lesson we can learn from the current plan? The lesson is, adverse selection tends to drive up the per capita cost of coverage, unless the Federal Treasury simply subsidizes lower premiums.

The very low-income elderly and disabled Medicare beneficiaries are also eligible for payments of their deductibles and co-insurance by their

State's Medicaid program. These are called dual eligibles. They are eligible for Medicare, and they are also eligible for Medicaid.

The most important service paid for entirely by Medicaid is frequently the prescription drug plans offered by all States under their Medicaid plans. There are several groups of Medicare beneficiaries who have more limited Medicaid protection. Qualified Medicare Beneficiaries, QMBs, otherwise known as QMBS here in Washington parlance, have incomes below the poverty line, $8,240 for a single and $11,060 for a couple, and assets below $4,000 for a single person and $6,000 for a couple. Medicaid pays their deductibles and their premiums.

Specifically Low-Income Medicare Beneficiaries, known as SLIMBs, have incomes up to 20 percent of the poverty line, and Medicaid pays their Medicare Part B premium.

Qualifying Individuals, Q1s, have income between 120 percent and 130 percent of poverty. Medicaid pays only their Part B premium, but not deductibles. Qualifying Individuals, Q2s, have incomes from 135 percent to 175 percent of poverty, and Medicaid pays part of their Part B premium.

But the QMBs and the SLIMBs are not entitled to Medicaid's prescription drug benefit unless they are also eligible for full Medicaid coverage under their State's Medicaid program. Q1s and 2s are never entitled to Medicaid drug coverage.

A 1999 HCFA report, that is Health Care Financing Administration, the agency that runs Medicare, showed that despite a variety of potential sources of coverage for prescription drug costs, beneficiaries still pay a significant proportion of drug costs out-of-pocket, and about one-third of Medicare beneficiaries have no coverage at all.

It is also important to look at the distribution of Medicare enrollees by total annual prescription drug expenditure. This information will determine, based on the cost of the benefit, how many Medicare beneficiaries would consider the premium cost of a ''voluntary'' drug benefit insurance policy to be ''worth it.''

This chart from the Medicare Payment Advisory Commission, known as MEDPAC, report to Congress, shows that in 1999, 14 percent of Medicare recipients had no drug expenditures, 36 percent had from $100 to $500, 19 percent had from $500 to $999. We had 12 percent with expenses from $1,000 to $1,499; 14 percent from $1,500 to just about $3,000, and 6 percent above $3,000.

I want Members to note something here. Some of these figures are a little different today. These are about 2 years old now, but they will not be that much changed.

If we add up senior citizens who have no drug expenditures, that is 14 percent, plus those that have less than $500, that is 36 percent, so we now have 50 percent of Medicare beneficiaries, plus another 19 percent that have less than $1,000, and we have a pretty high percentage of senior citizens that have less than, say, $1,000 of expenses.

As we look at plans to change Medicare to better cover the cost of prescription drugs, we are going to have to face some difficult choices for which there is not public consensus, and for that matter, there has not been consensus among policy-makers. There are many questions to answer. Here are a few.

First, should coverage be extended to the entire Medicare population, or should we target the elderly widow who is not so poor that she is in Medicaid, but is having to choose between paying her home heating bill and her prescription drugs?

Should the benefit be comprehensive or catastrophic?

Should the drug benefit be defined?

What is the right level of beneficiary cost-sharing?

Should the subsidies be given to the beneficiaries, or directly to the insurers?

How much money can the Federal Treasury devote to this subsidy?

Can we really predict the future cost of this benefit?

I think we need to go back and look at what Congress has done in the past on this, so let us look at the fact that the desire to add a prescription drug benefit is not a new idea. It was actually discussed back in 1965, when Medicare was started. It has been discussed many times since then.

The reason why adding a prescription drug benefit is such a hot issue now is because there has been an explosion in the new drugs available; huge increases in the demand for those new drugs, fueled in large part by all the advertising that we see on TV; and there has been a significant increase in the cost of these drugs in just the past few years.

Many of these drugs are life-preserving, as those that my dad takes. They are important. That is why this issue is on the table for this Congress, and I think we need to do something about this.

Before I discuss previous Democratic and Republican proposals, I think it is instructive to look at what happened the last time that Congress tried to do something about prescription drugs in Medicare. That is because the outcome of the reform bill that became law in 1988 has seared itself into the minds of the policymakers who were in Congress then and are committee chairs now.

The Medicare Catastrophic Coverage Act of 1988 would have phased in catastrophic prescription drug coverage as part of a larger package of benefit improvements. Under the Medicare Catastrophic Coverage Act, catastrophic prescription drug coverage would have been available in 1991 for all outpatient drugs, subject to a $600 deductible and 50 percent co-insurance.

The benefit was to be financed through a mandatory combination of an increase in the Part B premium and a portion of the new supplemental premium which was to be imposed on higher-income enrollees.

It is also important to note that the Congressional Budget Office estimated the cost back then at $5.7 billion. Only 6 months after the bill became law the cost estimates had more than doubled, because both the average number of prescriptions used by the enrollees and the average price had risen more than estimated.

The plan passed the House by a margin of 328 to 72, passed the Senate, and President Ronald Reagan enthusiastically signed that law into place as the largest expansion of Medicare in history.

The only problem was that once seniors learned that their premiums were going up, they did not like the bill very much. They even started demonstrating against it. We had scenes of the Gray Panthers hurtling themselves onto the car of the chairman of the Committee on Ways and Means, Dan Rostenkowski. Those scenes were then broadcast across the Nation on the nightly news programs.

Talk to some of the Congressmen who were here in 1988 and 1989. The switchboards here at the Capitol were flooded with phone calls from angry senior citizens. So what happened? The very next year, the House voted 360 to 66 to repeal the Medicare Catastrophic Coverage Act of 1988, and President Bush, then President, signed the largest cut in Medicare benefits in history, 1 year after President Reagan had signed the largest increase in Medicare benefits in history.

That experience has left scars on the political process ever since, and it is evident in both the Republican and the Democratic proposals that we debated here on the floor last year.

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What was the lesson? Last year former Ways and Means Chairman Don Rostenkowski wrote an article for the Wall Street Journal that I think should still be required reading for every Member of this Congress. His most important point was this, the 1988 plan was financed by a premium increase for all Medicare beneficiaries. Rosty said in his op-ed piece in the Wall Street Journal: ''We adopted a principle universally accepted in the private insurance industry. People pay premiums today for benefits they may receive tomorrow.''

Apparently, the voters did not agree with those principles. And by the way, the title of his op-ed piece was ''Seniors Won't Swallow Medicare Drug Benefits.'' He does not think that seniors have changed much since 1988.

Last year we voted on two comprehensive Medicare prescription drug benefit bills whose drafters apparently agreed with him, because the key point the spokesmen for each of those bills made was that their plans were voluntary.

There were shortcomings in both of those bills. The insurance model plan that passed was estimated to cost seniors $35 to $40 a month in 2003 with possible projected increases of 15 percent a year. Premiums could vary among the plans. There would be no defined benefit package; the insurers could offer alternatives of ''equivalent value.'' There would be a $250 deductible and the plan would then pay half of the next $2,100 in drug costs. After that, patients were on their own until they had out-of-pocket expenses reaching $6,000 a year, when the government would pay the rest.

This insurance plan would pay subsidies to insurance companies for people with high drug costs. If subscribers did not have a choice of at least two private plans, then a ''government'' plan would have been available. A new bureaucracy called the Medical Benefits Administration would oversee these private drug insurance plans.

Under the insurance plan, the government would pay for all the premium and nearly all of the beneficiary's share of covered drug costs with people with incomes under 135 percent. For people with incomes from 135 percent to 150 percent, the premium support would have been phased out. It was assumed that drug insurers would use generic drugs to control costs.

The costs of that plan was estimated to be $37.5 billion over 5 years and about $150 billion over 10 years, but the Congressional Budget Office had a pretty hard time predicting the costs because there was not a standard benefit definition.

The premiums under the Democrat bill, the second plan that was debated, were estimated to cost those seniors who signed up. Remember, it was a voluntary plan like the first plan, $24 a month in 2003 rising to $51 a month in 2010, but the bill's sponsors later added a $35 billion expense for a catastrophic component, and that would have increased the premiums more.

Under their plan, Medicare would pay half of the costs of each prescription, and there would be no deductible. The maximum Federal payment would be a $1,000 for $2,000 worth of drugs in 2003, and it would rise to $2,500 for $5,000 worth of drugs in 2009.

And under the Democratic plan debated last year, the government would assume the financial risk for prescription drug insurance; but it would hire private companies to administer benefits and negotiate discounts, similar to what HMOs do today. They are called pharmaceutical benefit managers. It would have aided the poor similarly to the Republican bill that passed the House.

But here is the crucial point on both of those bills. In order to cushion the costs of the sicker with premiums from the healthier, both plans calculated that their premiums based on an 80 percent participation rate for all of those in Medicare. They both thought that 80 percent of seniors would sign up. The attacks on both plans began immediately. The supporters of the Democratic bill basically said that the supporters of the insurance plan were putting seniors in HMOs; that HMOs provide terrible care; and that it was not fair to seniors.

Supporters of the Republican bill said that the Democratic bill was ''a one-size-fits all plan, that it was too restrictive and puts politicians and Washington bureaucrats in control.''

I could criticize both plans in some depth, but I do not have that much time remaining. Suffice it to say that the details of each of those plans was very important on how they would work or, for that matter, if they would work.

I believe that if you let plans design all sorts of benefit packages, as did the Republican bill, it would be very difficult for seniors to be able to compare plans from one to another.

I also think that plans could tailor benefits to try to get the healthier into their plans and leave the sicker seniors out. And it was interesting, because representatives of the insurance industry seemed to share that opinion in a hearing before my committee. In my opinion, a defined benefit package would have been better.

I have concerns about the financial incentives that the bill that passed the House would have offered to insurers to offer and enter markets where there were not any drug plans available. Would those incentives encourage insurers to hold out for more money?

I have doubts that private insurance industry would have ever offered drug-only plans. In testimony before my committee, Chip Kahn, the president of the Health Insurance Association of America, testified that drug-only plans simply would not work.

In testimony before the Committee on Commerce on June 13 of last year, Mr. Kahn said ''private drug-only coverage would have to clear insurmountable financial, regulatory and administrative hurdles, simply to get to market. Assuming that it did, the pressures of ever-increasing drug costs, the predictability of drug expenses, and the likelihood that the people most likely to purchase this coverage will be the people anticipating the highest drug claims would make drug-only coverage virtually impossible for insurers to offer a plan to seniors at an affordable premium.''

And Mr. Kahn predicted that few, if any, insurers would have offered the product.

I could similarly criticize several particulars of the Democrat bill that was offered as a substitute, but I think there was a fundamental flaw to both bills, and that is what is called adverse-risk selection.

Under those bills, let us just look at the Democratic bill that was offered last year. If the Democratic bill had comparable costs for a stop-loss provision for the catastrophic expenses like the Republican bill did, the premium costs would have been comparable in both bills; and under those bills, a person who signed up for drug insurance would pay about $40 a month or roughly about $500 per year.

After the first $250 out-of-pocket drug costs, that is the deductible, the enrollee would have needed to have twice $500 in drug costs or $1,000 in order to be getting a benefit that was worth more than the costs of the premiums for that year.

If you put it another way, the enrollee basically in both of the plans that we debated last year would have had to have somewhere between $1,000 to $1,200 in drug costs a year to make it worthwhile for them to sign up for the bill; otherwise, they would have been paying more for their insurance premium than they were getting a benefit for.

Who would sign up for those plans? Would it be the people who had Medicare who do not have any drug costs now? Would it be the people in Medicare who today have less than $500 a year? I do not think so. Why do I not think so? Because we already have a drug benefit bill and Medigap policies. A senior citizen today already can choose a Medigap policy that has a drug benefit, but only the people who have high prescription drug costs sign up for those bills.

Mr. Speaker, I just think that it is highly doubtful that anywhere near 80 percent of seniors would have signed up for either of those plans; and if only those with high drug costs signed up for those plans, then we know what would happen by looking at the current Medigap policies. Only 7.4 percent of beneficiaries enrolled in standard Medigap plans were in the drug coverage plans, H, I, and J.

One way to avoid adverse-risk selection would be to offer the drug benefit for one time only. Another way to do it would be to require all to be in it.

You could try to set up some ways to estimate the sickness of enrollees. We have tried that in the past. Those are called risk-adjustment programs systems. They are very hard to design and implement. It remains to be seen whether our risk-adjustment systems already on the books are going to work.

You could have a similar benefit package, and I think that would help. And as I said, one sure way would be to mandate enrollment, but that was the approach that legislators here took in 1988, and we saw what happened to that law.

To say that mandatory enrollment has little appeal to policymakers today, I would say is an understatement. That gets me to what can we do to fix this, this problem. I introduced a bill today, it is called the Drug Availability and Health Access Improvement Act of 2001. We have bipartisan cosponsors all across the ideologic spectrum on this bill.

It does three things. Here is a modest three-step proposal for helping seniors and others with their drug costs.

Number one, we could allow those qualified Medicare beneficiaries, those select low-income Medicare beneficiaries and qualifying individuals, one and two, up to 175 percent of poverty to qualify for the State Medicaid drug programs. States could continue to use their current administrative structures. This could be implemented almost immediately. About a third of Medicare beneficiaries would be eligible, especially those most in need.

The drug benefit would encourage them to sign up, and a key feature of that is that the program is already in the States. State programs are entitled to the best price that the manufacturer offers to any purchaser in the United States.

Judging from estimates from the Bipartisan Medicare Commission, that expansion of benefits would probably cost somewhere between $60 billion and $80 billion over 10 years.

Second, we could fix the funding formula, what is called the Annual Adjusted Per Capita Cost, that puts rural States and certain low-reimbursement urban areas at such a disadvantage in attracting Medicare+ plans, because those Medicare+ plans offer a prescription drug benefit. My plan would increase the floor to $600 per beneficiary per month. That would be an enticement for the Medicare+ Choice plans to actually go to States like Iowa. That way senior citizens and rural States would have the same opportunities to sign up for an HMO that offers a prescription drug benefit that those in New York, Miami, Los Angeles now can get.

Third, in response to my constituents who want to purchase their drugs in Canada, Mexico or Europe, we should stop the Food and Drug Administration from intimidating seniors and others with threats of confiscation of their purchases when they try to buy their drugs from overseas.

At the end of last year, we attempted to solve that problem; however, there were some loopholes in the bill that we passed last year, and we need to clarify current law to allow importers to use FDA-approved labeling without charge. Current law explicitly allows labeling to be used for ''testing purposes'' only and does not prevent drug companies from charging very, very high fees for using the label.

FDA approval for labeling provides safety and efficacy. We can allow importers to obtain the best price available on the market. There are a number of things that we need to do to make sure that our retailers in this country are able to purchase from wholesalers overseas at lower rates so that they can pass on the savings to everyone.

□ 1815

Mr. Speaker, I think that would go a long ways to reducing prescription drug prices in this country vis-a-vis where it is, significantly lower in the foreign countries around the world that I talked about earlier in this talk.

The bill that I introduced today meets those goals and ensures that we provide prescription drug coverage to those who need it most. It gives them access to health insurance and the drugs that they cannot now afford. I hope that we end up with a comprehensive prescription drug bill, something that covers all senior citizens. But when I look at that, I think we ought to do that in the context of a comprehensive Medicare reform bill, something that will help make sure that Medicare is financially sound for when the baby boomers come into retirement.

But I also recognize that today we have some senior citizens who are just barely getting by. They are not so poor that they are in Medicaid, but they are just above that, and they are having to make choices today whether to pay their heating bills or food bills or rent, or whether to fill their prescriptions. These individuals are already getting a discount on their Medigap premiums, the qualified Medicare beneficiaries, the select low-income Medicare beneficiaries, the qualifying individuals one and two.

We could implement that benefit for them immediately. We could give them a Medicaid drug card. They could go to any pharmacy in their State, get their prescription drugs filled at no cost, and we would pay for that from the Federal side. We would not ask for a State match on that, so the Governors and State legislators do not need to worry that we will be adding additional costs to their budgets.

I think we can do that for a reasonable amount of money, and it would not require reinventing the wheel. Every State has this program now. It would be easy to administer. All of those State Medicaid programs are overseen to help prevent fraud and abuse. I think this is the commonsense answer if, Mr. Speaker, later this year or next year we find that we are not moving to a comprehensive Medicare reform bill and we are not moving to a bill that covers a prescription drug benefit for everyone.

I just think that it would be a shame if this Congress does not address high prescription drug costs for the seniors that need it most and try to do something to lower the high cost for everyone. And that is where the reimportation issue comes into play.

So, Mr. Speaker, we have a solution. I encourage my colleagues to look at the bill that I introduced today, the Drug Availability and Health Care Access Improvement Act of 2001. It does not mean that you cannot be for a more comprehensive bill. It simply means at the end of the day, if we are not getting that more comprehensive bill, then we should not leave town before the next election without at least providing help to those who need it the most.

DOMESTIC AND FOREIGN POLICY ISSUES

The SPEAKER pro tempore (Mr. PENCE). Under the Speaker's announced policy of January 3, 2001, the gentleman from California (Mr. SHERMAN) is recognized for 60 minutes as the designee of the minority leader.

Mr. SHERMAN. Mr. Speaker, I want to thank the House for giving me the last hour before our adjournment for the Easter and Passover recess. I want to cover four issues, and hopefully I can do so in less than the 1 hour allotted: first, taxation and the energy crisis in California; and then two foreign policy issues, our airmen being held in China, and our sanctions policy and our use of economic tools in order to achieve our national security purposes.

Mr. Speaker, 2 months ago the President of the United States stood where you sit now and asked us to pass his tax program for a particular waitress. He described this waitress as having an income of $25,000, two kids, no spouse, and said that is the reason that we need his program. And he was compassionate in that description; unfortunately, not compassionate to that waitress or the other waitresses that work with her. You see, under the President's tax program, that waitress with two kids does get a little bit of tax relief, perhaps 2 percent of her income, perhaps a cheap 25-cent tip left under the table or under the plate. But he carefully selected the one waitress in the entire restaurant that gets anything at all.

You see, under the President's plan as passed by this House, if that waitress had had an income of $23,000, she gets not 1 penny, not even a 1-cent insult tip. If the waitress, the exact waitress he described with two kids and $25,000, spends anything for child care, then she gets no additional benefit at all, not 1 penny from the President's program. And if that waitress has an income of $23,000 or $25,000 or $26,000 and has 3 kids instead of 2 kids, not 1 penny.

So we were told to pass a tax program to help hard-working waitresses supporting kids, and virtually every waitress in the restaurant goes home without even a 1-cent tip.

This House has added, this President's rhetoric has added an insult on top of that injury. There is injury to those waitresses from a tax program that this House adopted that the President asked us to adopt, because we are going to see higher interest rates, and every waitress in that restaurant is going to be having a harder time buying an automobile, or if she is very fortunate and can almost afford a house, perhaps will not be able to do so. A worse economy and fewer patrons of that restaurant, all of this will injure those waitresses that get not one penny of tax relief from the plan.

Added to the injury is the insult. The President has again and again before audiences across the country said that his plan provides tax relief to every

taxpayer, and his overwhelming implication is if you do not get anything from his plan, it is because you are not a taxpayer. If he does not give you anything, it is because you do not deserve anything.

I ask the waitresses of this country to look at their paycheck stubs and see if there is a deduction for FICA. Then at that point, realize either your employer is lying to you when they take the money out of our paycheck for FICA, or the President is lying when he says that the waitresses of this country do not pay taxes because they do pay taxes to the Federal Government, and they get in almost every case not one penny of tax relief, but just a slap across the face with the insult that they are not taxpayers and do not deserve any relief from the Republican plan.

Mr. Speaker, never was this illustrated quite so clearly as today when we took up another piece of the President's tax plan, and that was a complete abolition of the estate tax. Mr. Speaker, most people of this country pay income tax, but the working poor generally pay only FICA tax. And there are some who are very wealthy who, because of the way that they have structured their investments, pay no income tax, but they pay estate tax. Three major taxes for the Federal Government: one, a burden on the poor; another a burden on most of us; and the third affects only those at the top 2 percent.

The President has decided if you do not pay income tax, but you pay estate tax, you deserve tax relief because you are in the richest 2 percent, and he wants to help you. But if you pay no income tax, and you pay only FICA tax, you get not one penny, as I have said several times.

So what is this estate tax package? It is a package passed today, which, if we made it immediately effective, would cost $663 billion over a 10-year period. With all of the rhetoric on this floor, you would think that we would have made it effective immediately. Speaker after speaker talked about how this tax is terrible, and yet the bill we adopted does almost nothing to reduce the tax on those with assets of 2- or 3- or $5 million, almost nothing for the next several years.

Why is that? Because, Mr. Speaker, in order to sneak this tax cut in, it is passed today, but does not become effective really for over 10 years. So a tax cut which is bad economic policy for today, which is such bad economic policy that no one would stand here in the well and say it ought to be effective today for today's economy, becomes effective in the year 2011 economy at a time when it is going to do the economy even more harm.

You see, Mr. Speaker, right now we have a surplus. It is not as big as some would say. It is certainly not permanent, but we have a surplus. Eleven years from now we do not know whether we have a surplus or not. But we do know that 11 years from now is about the beginning of the baby-boomer retirement that will put whole new strains on the Federal budget as a huge number of people sign up for Social Security. So a policy that is so fiscally irresponsible that no one will speak in favor of its immediate adoption will become locked in 11 years from now when we are more vulnerable to fiscal irresponsibility.

Why this tax cut in the estate tax? Well, the estate tax affects only the wealthiest 2 percent of Americans. If you care about the other 98 percent, then we should have voted that down so that we could pay off the national debt, resume economic growth at a reasonable rate, and reduce interest rates without causing inflation.

Now, one thing I want to clarify in how I discuss an estate of 4- or $5 million is that we are talking about the net estate. So if you have a $10 million farm, assets of land and equipment worth $10 million, you in most cases do not have a $4 million estate because most farmers in that situation owe at least $6 million to the bank. You look only at the estate net of, of course, funeral and health costs of the deceased, but also net of all the liabilities. So a lot of people out there think, ''Oh, I have got assets of $10 million, I am going to be subject of the estate tax,'' have got to first subtract the liabilities. So only the wealthiest 2 percent of families in this country will pay any estate tax at all.

But we on the Democratic side put forward an alternative, an alternative that would turn to 1.8 out of that 2 percent and say, no tax at all; immediate tax relief. And you continue to enjoy the income tax reductions caused by a ''step-up in basis'' so that the heirs to assets are able to value those assets on the date that they acquired them or the date of the decedent's death, so higher depreciation deductions are available to someone who inherits an apartment building or inherits farm equipment. Lower capital gains tax is paid by those who inherit stocks and bonds, or those who sell off part of the land that they inherit.

□ 1830

So a Democratic proposal that provided immediate relief for every family with $4 million in net assets and provided all taxpayers permanently with that reduction in their income tax from a step-up in basis, that was all voted down. Why? Because instead the Republican side demanded that we embrace something that would exempt the as of yet unborn Bill Gates, Jr. from any tax at all on what we would hope would be billions of dollars of inheritance. In order to provide that those with assets of $100 million, $200 million, $300 million will pay not a penny in tax, the interests of those with $2 million and $3 million and $4 million and $5 million were sacrificed by a Republican Party that talks the talk of small business but walks the walk of huge fortunes.

The Democratic alternative provided immediate tax relief, immediate complete insulation on taxes for the first $4 million that a family owns, racheting that up to $5 million over the next 10 years. The Republican plan provided virtually no tax relief to a family with 2 or 3 or $4 million in assets if a death occurs next year or the year after that or the year after that. They have decided to ignore those who die soon or die in the next few years and their heirs. They have decided to ignore those who need the reduced income taxes of that step-up in basis because their running business is worth 2 or $3 million and need the higher tax deductions, income tax deductions, all to embrace the needs of those with assets of over $10 million, over $20 million. What is amazing is that they were able to sell some of the small business groups on it. They have talked the talk of tax relief for those with a few million dollars. They have walked the walk of the huge fortunes.

We are well on our way to a series of tax bills that we cannot afford, that will probably add up to $3 trillion in tax cuts over the next 10 years, and much of the cost of those bills is going to be hidden by the fact that many of their provisions do not even become effective until more than 10 years from now. What we ought to do if we are fiscally responsible is simply pass those tax provisions that become effective this year or next year.

If the Republican side were to come down to this floor and say, here is what we want the tax law to look like for 2001, here is what we want it to look like for 2002, pass that, and then wait a year and see where the economy is, they could probably get almost total support in the House. It is their insistence on locking this country in to an economic plan that it cannot afford, an economic plan that guarantees slow growth or recession, that virtually guarantees higher interest rates. It is that insistence that is causing dissension both here in the House and fortunately greater dissension in the Senate. Keep in mind that under the tax plan the Republicans have put before us, 79 percent of the package does not even become effective until more than 5 years from now. Instead of providing the tax relief we can afford and the stimulus that some say we need, it simply locks in the greatest cuts for the wealthiest people many, many years from now.

Mr. Speaker, I would now like to focus on what some regard as a regional problem, perhaps just the problem of one State, but it is actually the problem of the entire country, and, that is, the electrical energy crisis and related natural gas crisis in my home State of California. First, let me dispel the idea that it was all the fault of the extreme environmentalists, tree huggers in California, who would not allow any plants to be built and now we are reaping what we have sown. Nothing could be more clearly disproven in so many different ways.

First, no Federal agency was issuing a loud warning 2 or 3 years ago. No experts from the private sector, no experts from the utility sector were saying that we were headed for a particular problem. There are geniuses on Wall Street that could have quintupled and requintupled and made tenfold and twentyfold on their money by selling short the stock of California utilities.

Yet none of them saw this coming. Now, we are told that no plants were sited in California. Keep in mind, many have been approved in the last 2 years. But during the 8 years in which Republican Pete Wilson was governor of our State, not a single plant was sited.

But let us say that you come here with an extreme prejudice against California and you think both Republicans and Democrats in California have somehow brought this upon our State. Electricity can be transported for a few hundred miles. If you want to serve the California market, you cannot do so from a plant in Pennsylvania. But you can do so from a plant in Nevada or Arizona.

If anybody foresaw an extreme shortage of electricity and even a modest increase in the price of electricity in California and the other western States, they did not have to build a plant in California. They could have built one in Arizona, Nevada, Oregon or Washington. So you would have to believe that the environmental extremists are in control not only of California but of Nevada and Arizona, Oregon and Washington, Nevada and Arizona being two of the most pro-business States, two of the most Republican-voting States in this country.

The fact is no one wanted to build a plant in California, and no one wanted to build a plant in those other western States I mentioned. No one foresaw this problem until quite recently, with the exception of perhaps a few academics whose voice was not loud enough for anyone to hear. So it is obvious that this is not a problem we brought upon ourselves. We embraced the free market. The free market operated not only in California but in adjoining States as well, and the free market let us down. It did not cause those plants to be sited in California or the other adjoining States.

So California did not cause this problem. But we are told it is California's problem and it is up to California to solve it. Let us analyze the problem and let us see whether California should be called upon to, quote, ''solve its own problem,'' or whether instead the Federal Government has handcuffed California so that it cannot solve this problem without a change of Federal policy.

Let us look first at natural gas. Now, the price of natural gas in North America has more than doubled in the last couple of years. That is supply and demand, and that is a relatively competitive market with lots of producers and lots of consumers. Still, the doubling of that commodity and more in the last couple of years has put a strain on consumers and utilities around this country. But imagine, if you will, that on top of that doubling, there was a tenfold increase in the cost of moving natural gas from Texas and New Mexico where it is produced into California. The cost went from less than 50 cents to over $5. The cost of natural gas in California is double what it is in the rest of the country.

Why did that happen? Why that doubling? Because FERC partially deregulated, actually deregulated enough for smart lawyers to find a way to totally deregulate the price of moving natural gas from Texas to California. And now natural gas costs more to move from Texas to California than it costs to buy it in Texas. The transportation cost exceeds the commodity cost. Why? FERC.

Mr. Speaker, it has been said that California has been shafted. Mr. Speaker, California has been FERCed. That is F-E-R-C-e-d, hopefully not to be confused with any term of similar sound.

The next focus has got to be on the cost of generating electricity. In the spot market, the wholesale price has gone up ten and twentyfold. We are told that this is somehow California's fault. I have disproved that. But the question is, can California solve this problem? As it happens, Federal law prohibits California from imposing even temporary cost-based controls on the cost of electricity at the wholesale level. So here we are with plants in our own State capable of generating most or all of the electricity we need in most or all of the months of the year and California has been told, ''It's your problem. Solve the problem. Oh, by the way here is a Federal law that says you can't solve the problem by regulating the wholesale price of electricity,'' which by the way is about the only way to solve it in the short term.

Take off the Federal handcuffs or stop laughing at California and saying it is our problem and up to us to solve it. California could save 1 or 2 percent of its electricity needs simply by adjusting the way we use Daylight Savings Time. But the Federal Government will not even let us adjust our own clocks. The handcuffs are on. The Federal Government puts the handcuffs on California and then says, ''It's your problem. Go solve it. Just don't try to do anything that might be effective because it will be prohibited by Federal law.''

Federal law must reregulate the price of moving natural gas from New Mexico to California. And if the Federal Government does not want to do it, then perhaps that right could be granted to the State of California. I realize the pipelines that I am talking about do not run through the State, but a Federal grant of that power to California would probably be constitutional. The Federal Government does not want to regulate the wholesale price of electricity generated by plants in California. Fine. Let California do it. Let Oregon do it for its plants. Let Washington do it for plants in the State of Washington. Take off the handcuffs. Better yet, lend a hand. FERC should regulate the price of pipeline usage and the cost at the wholesale level of electricity.

I do want to comment a little bit about the shortage of electricity in California in one respect and, that is, the term ''closed for maintenance.'' I thought closed for maintenance meant, ''We got to fix the plant. We got guys working on it.'' I have come to learn closed for maintenance means closed to maintain an incredibly high price for each kilowatt.

Last summer, without any shortages that came to anyone's notice, or with the notice of very many, California demanded and needed and got from its existing plants 45,000 megawatts of electricity. This last winter and spring when we needed 33,000 megawatts, the plants are closed for maintenance. The electricity cannot be generated. What changed was not the plants. The plants were adequate to give us 45,000 megawatts of electricity last summer. What changed was the law, the incentives. The incentives went to closed for maintenance, the lights went out, the prices went up.

Mr. Speaker, I hesitate to phrase it this way, but this administration is waging war on California. Maybe it is because we did not vote for them. Maybe it is because they see our governor as a challenger in 2004. I think it is a war being waged for the same reason the ancients waged war and that was to get war booty. In this case incredibly high profits for certain companies based in Texas, both the pipeline companies that own the natural gas pipelines and the companies that own the generation facilities that sell that electricity to the utilities in California.

The question, though, is not why is the Bush administration waging war on California but why does this Congress allow for that war to be waged? All Americans are going to suffer from this war. If we do not regulate natural gas pipelines, the wholesale value of electricity, and allow California to adjust its clocks, then it will not just be my district or my State that suffers. This entire economy is wired together. The markets drop in Tokyo and all of a sudden the markets drop on Wall Street and people's 401(k)s are down. If you think you live outside of California and you are not tied to our State, imagine how much more tied you are to California than you are to Tokyo.

□ 1845

If California is going down, it is not going to be good for any part of this country.

I want to add a footnote or two here. The first footnote is that many of the bad decisions the Federal Government made were made in the waning days of the last administration, but I am confident that an administration that

cared about California would have reversed those decisions and this administration should reverse those decisions right now.

Back in October, it was not obvious to many that California was going to be suffering just a few months later, but when that suffering began it is time to adopt revised Federal policies.

The second myth I want to dispel is the idea put forward by those who worship, do not just understand and usually practice but worship, the free market system. The free market system works rather well for most things, but if one had to pick something it was not going to work for, well think of a good that cannot be stored, cannot be transported but a few hundred miles, has no substitutes, is a necessity, to put it in economic terms, has a price elasticity of roughly point one, which is to say it is a necessity where you need the amount you need and if they sell it for less you are not going to use more, and if they charge you more it is incredibly difficult to use less. It is a necessity. It cannot be stored.

It is not subject to the regular market forces. If there was ever a good that did not fit the absolute worshipping of a free market, this is it.

We are told that the free market must be allowed to run unfettered and that California's problem is that we deregulated the wholesale price of electricity but we maintained regulation on the retail price. So the amount SoCal Edison has to pay the generator companies, most of them based in Texas coincidentally, the plants may be in California but they are owned by some particular business interests, that the amount that SoCal Edison has to pay for the electricity has been deregulated but the amount that they sell it to the consumer for has been regulated and that that is the problem; that if only we deregulated both sides of the equation everything would be fine.

I ask people to look at San Diego. In San Diego County, we did exactly what the worshippers of the free market, and I include myself among those who usually want to go with free enterprise and free markets, but those who are so blinded by the benefits of free markets that they cannot see the exceptions, we are told that if you only deregulated the wholesale and the retail that everything would be fine.

What has happened in San Diego when we did just what they suggest, the retail consumer price of electricity went up by four-fold. So you are used to paying a $100 electric bill and you get one for $400, the price goes four-fold in a couple of months. I ask my colleagues, what would happen in their districts if everyone who is used to getting a $100 electric bill got a $400 electric bill like that? How many people would be sitting in their office and how many of them would say, well, thank God, we did what those who are so extreme that they worship the free markets have suggested, thank God we went for the most pristine possible deregulation?

How many of them would be thrilled to get that $400 electric bill?

AMERICANS HELD HOSTAGE, DAY FOUR

Mr. SHERMAN. Mr. Speaker, I would now like to shift to a discussion of foreign policy, starting with the Americans being held on the Chinese island of Hainan; America held hostage, day four.

Let us go through a few of the facts that have been uncontroverted. Our plane was in international air space. The Chinese have admitted that. Our plane was flying slow, clumsy, large, Turboprop, not looking for any trouble; not trying to approach any Chinese planes. Chinese fighter planes that are fast and maneuverable deliberately came as close as possible to the American plane, and then there was a collision.

I ask us to think about this in our own lives. If one car is just proceeding about its business and another one, a hot rod, tries to squirm as close as possible, some teenager trying to get just as close as possible to an old driver and then there is a collision, who do we blame?

This was not the first time, Mr. Speaker. Again and again and again, through formal and informal channels, the United States has, for a period of many months, told the Chinese side that their repeated unsafe and reckless flying, their interception of our planes and coming not just as close as safe but closer than safe, buzzing those planes, reckless disregard for the safety of both aircraft, gross negligence, would some day lead to an accident; and then it did.

I do not know why the Chinese instructed their pilots to engage in this game, or whether they were so instructed at all. Was it teenage hormones? Was it an attempt to intimidate an American plane over international waters? Or was it some effort to try to cause a collision but one that would kill Americans instead of Chinese airmen?

I do not know, but there is no moral reason for this intentionally dangerous flying, even after repeat warnings. Yet, the Chinese are asking us for an apology.

Mr. Speaker, my people have a word for that. It is called chutzpah. Chutzpah is when a young man convicted of brutally killing both of his parents goes before the judge and asks for mercy on the basis that he is an orphan, and the request for this apology fits in that same category of chutzpah.

International law is clear. That plane cannot be touched. News reports are clear. The Chinese side is all over that plane looking for every secret, dismantling equipment, in violation of international law.

International law is clear. Our people are to be back here. They retain their sovereign immunity when they land in desperation and emergency, which I might add in this case was caused by the incredible gross negligence, repeated gross negligence, of Chinese fliers. Yet, we are being asked for an apology. Reckless flying, ignoring international law as to our plane when it is on the ground, holding our Naval airmen hostage, and they are asking us for an apology.

Perhaps the only thing that is more outrageous than all that is that, as I speak here, imports from China are being unloaded at American harbors in part of the most lopsided pro-Chinese trade relationship that any economist could ever imagine. They are allowed access to our markets where they sell over $80 billion of goods and we are lucky if we can sell $12 billion of goods into China.

What ought to happen is that we ought to make it clear, we ought to today stop the importation of Chinese goods until our Naval airmen are back on their ships or in American hands. Oh, but that would mean perhaps a few hours or a day of delay in bringing in tennis shoes or plastic toys, and the commercial interests that flex their muscle so strongly when we dealt with providing China with permanent Most Favored Nation status will be back here, or are already back here flexing their muscles, and their message is clear. Do not interrupt a single package, a single container of tennis shoes, no matter how lopsided the trade arrangement is, no matter how absolutely dependent China is, and they are utterly dependent on the American market, roughly half, very roughly half their exports go to the United States. We are the only country that lets them run a huge trade surplus with us and we are the only country willing to run a huge trade deficit with them.

Yet in spite of the fact that we are strong and they are weak, they are unified and we are looking only at the commercial interests of a few companies.

So, Mr. Speaker, what I fear is that corporate interests, and just a few corporate interests, engaged in this importation frenzy will demand that we apologize, demand that we pay the Chinese money. They will demand that we be weak because sniveling preserves profits.

I hope that this administration and this Congress reject that kind of thinking.

Mr. Speaker, I would like to go into my fourth topic but I see it is getting late. So I will come back to this floor to deliver a speech dealing with the fourth topic I wanted to cover, and that was our use of economic sanctions, economic carrots and sticks, in order to achieve our international objectives.

SPECIAL ORDERS GRANTED

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

(The following Members (at the request of Mr. MCNULTY) to revise and

extend their remarks and include extraneous material:)

Mr. BLUMENAUER, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. SKELTON, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. GREEN of Texas, for 5 minutes, today.

Mr. SCHIFF, for 5 minutes, today.

Mr. LANGEVIN, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. BAIRD, for 5 minutes, today.

(The following Members (at the request of Mr. RAMSTAD) to revise and extend their remarks and include extraneous material:)

Mr. SHADEGG, for 5 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, today.

Mr. EHRLICH, for 5 minutes, today.

Mr. WOLF, for 5 minutes, today.

Mr. PETERSON of Pennsylvania, for 5 minutes, today.

Mrs. WILSON, for 5 minutes, today.

Mr. HYDE, for 5 minutes, today.

Mr. CUNNINGHAM, for 5 minutes, today.

Mr. SAM JOHNSON of Texas, for 5 minutes, today.

Mr. ROHRABACHER, for 5 minutes, today.

Mr. SHIMKUS, for 5 minutes, today.

Mr. GOSS, for 5 minutes, today.

Mrs. BIGGERT, for 5 minutes, today.

Mr. WELDON of Florida, for 5 minutes, today.

Mr. HAYWORTH, for 5 minutes, today.

Mrs. JO ANN DAVIS of Virginia, for 5 minutes, today.

Mr. RAMSTAD, for 5 minutes, today.

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

Mr. LARSEN of Washington, for 5 minutes, today.

ENROLLED BILLS SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 132. An act to designate the facility of the United States Postal Service located at 620 Jacaranda Street in Lanai City, Hawaii, as the ''Goro Hokama Post Office Building''.

H.R. 395. An act to designate the facility of the United States Postal Service located at 2305 Minton Road in West Melbourne, Florida, as the ''Ronald W Reagan Post Office of West Melbourne, Florida''.

ADJOURNMENT

Mr. SHERMAN. Mr. Speaker, pursuant to House Concurrent Resolution 93 of the 107th Congress, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore (Mr. PENCE). Pursuant to House Concurrent Resolution 93 of the 107th Congress, the House stands adjourned until 2 p.m. on Tuesday, April 24, 2001.

Thereupon (at 6 o'clock and 58 minutes p.m.), pursuant to House Concurrent Resolution 93, the House adjourned until Tuesday, April 24, 2001, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

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

1453. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Ethametsulfuron Methyl; Pesticide Tolerance [OPP–301111; FRL–6773–7] (RIN: 2070–AB78) received March 29, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1454. A letter from the Acting Assistant Secretary, Department of Defense, transmitting a letter requesting that Section 361 of the National Defense Authorization Act for Fiscal Year 1997 which authorized the Services to expend appropriated funds for recruiting functions be continued beyond the September 30, 2001, deadline as a permanent authorization, pursuant to Public Law 104—201, section 361(a) (110 Stat. 2491); to the Committee on Armed Services.

1455. A letter from the Assistant to the Board, Board of Governors of the Federal Reserve System, transmitting the Board's final rule—Electronic Fund Transfers [Regulation E; Docket No. R–1041] received March 30, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

1456. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—List of Communities Eligible for the Sale of Flood Insurance [Docket No. FEMA–7750] received April 2, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

1457. A letter from the Acting Chair, National Credit Union Administration, transmitting an Annual Report for FY 2000 entitled, ''Entering the 21st Century''; to the Committee on Financial Services.

1458. A letter from the Executive Secretary, Health Care Financing Administration, Department of Health and Human Services, transmitting the Department's final rule—Medicaid Program; Use of Restraint and Seclusion in Residential Treatment Facilities Providing Inpatient Psychiatric Services to Individuals Under Age 21: Delay of Effective Date [HCFA–2065–F] (RIN: 0938–AJ96) received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1459. A letter from the Executive Secretary, Department of Health and Human Services, transmitting the Department's final rule—Protection of Human Research Subjects: Delay of Effective Date (RIN: 0925–AA14) received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1460. A letter from the Executive Secretary, Department of Health and Human Services, transmitting the Department's final rule—Opioid Drugs in Maintenance and Detoxification Treatment of Opiate Addiction; Repeal of Current Regulations and Issuance of New Regulations: Delay of Effective Date and Resultant Amendments to the Final Rule (RIN: 0910–AA52) received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1461. A letter from the Director, Regulations Policy and Management Staff, Department of Health and Human Services, transmitting the Department's final rule—Food Additives Permitted for Direct Addition to Food for Human Consumption; Food Starch-Modified by Amylolytic Enzymes [Docket No. 99F–2082] received April 4, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1462. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Polychlorinated Biphenyls (PCB's); Return of PCB Waste from U.S. Territories Outside the Customs Territory of the United States [OPPTS–66020A; FRL–6764–9] received March 29, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1463. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; State of Missouri [MO 115–1115a; FRL–6961–9] received March 29, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1464. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Clean Air Act Approval of Operating Permits Program in Washington [FRL–6952–3] received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1465. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Pennsylvania; Conversion of the Conditional Approval of the 15 Percent Plan and 1990 VOC Emission Inventory for the Pittsburgh-Beaver Valley Ozone Nonattainment Area to a Full Approval [PA 120–4110a; FRL–6961–4] received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1466. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; State of Missouri [MO 114–1114a; FRL–6964–1] received April 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1467. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Amendements to Vehicle Inspection Maintenance Program Requirements Incorporating the Onboard Diagnostic Check [FRL–6962–9] (RIN: 2060–AJ03) received April 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1468. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Key West, Florida) [MM Docket No. 00–70; RM–9843] received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1469. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (Reno, Nevada) [MM Docket No. 00–234 ; RM–9999] received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1470. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations

(Weston, West Virginia) [MM Docket No. 00–242; RM–9998] received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1471. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (Orono, Maine) [MM Docket No. 00–243; RM–9981] received March 26, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1472. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (La Crosse, Wisconsin) [MM Docket No. 00–236; RM–10000] received March 26, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1473. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (Lead, South Dakota) [MM Docket No. 00–235; RM–9992] received March 26, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1474. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (New Orleans, Louisiana) [MM Docket No. 00–188; RM–9969] received March 26, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1475. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Station (Lowry City, Missouri) [MM Docket No. 00–145; RM–9845] received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1476. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Bowling Green, Bardstown, Lebanon Junction, and Auburn, Kentucky and Byrdstown, Tennessee) [MM Docket No. 99–326; RM–9755; RM–9910] received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1477. A letter from the Assistant to the Chief, International Bureau/Telecommunications Division, Federal Communications Commission, transmitting the Commission's final rule—2000 Biennial Regulatory Review [IB Docket No. 00–202] Policy and Rules Concerning the International, Interexchange Marketplace—received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1478. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Russia [Transmittal No. DTC 046–01], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

1479. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's report on nuclear nonproliferation in South Asia for the period of October 1, 2000, through March 31, 2000, pursuant to 22 U.S.C. 2376(c); to the Committee on International Relations.

1480. A letter from the Acting Secretary for Legislative Affairs, Department of State, transmitting a report on chemical and biological weapons proliferation control efforts for the period of February 1, 2000 to January 31, 2001, pursuant to 22 U.S.C. 5606; to the Committee on International Relations.

1481. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting Copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

1482. A letter from the Senior Vice President, CFO, Potomac Electric Power Company, transmitting a copy of the Balance Sheet of Potomac Electric Power Company as of December 31, 2000, pursuant to D.C. Code section 43—513; to the Committee on Government Reform.

1483. A letter from the Comptroller General, General Accounting Office, transmitting List of all reports issued or released by the GAO in February 2001, pursuant to 31 U.S.C. 719(h); to the Committee on Government Reform.

1484. A letter from the President, African Development Foundation, transmitting a Report on African Development Foundation's Financial Statements, Internal Controls, and Compliance For Fiscal Year 2000; to the Committee on Government Reform.

1485. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting the Commttee's final rule—Additions to and Deletions from the Procurement List—received April 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

1486. A letter from the Acting Chief Executive Officer, Corporation For National Service, transmitting the Corporation's Performance Report for FY 2000; to the Committee on Government Reform.

1487. A letter from the Secretary, Department of the Treasury, transmitting the Financial Report of the United States Government for Fiscal Year 2000; to the Committee on Government Reform.

1488. A letter from the Secretary, Department of the Treasury, transmitting a Program Performance Report for FY 2000; to the Committee on Government Reform.

1489. A letter from the Secretary, Department of Commerce, transmitting the Department's Accountability Report for FY 2000; to the Committee on Government Reform.

1490. A letter from the Secretary, Department of Housing and Urban Development, transmitting a copy of the Government National Mortgage Association management report for the fiscal year ended September 30, 2000, pursuant to 31 U.S.C. 9106; to the Committee on Government Reform.

1491. A letter from the Secretary, Department of State, transmitting an Annual Program Performance Report of FY 2000; to the Committee on Government Reform.

1492. A letter from the Secretary, Department of Veterans' Affairs, transmitting an Annual Performance Report for FY 2000; to the Committee on Government Reform.

1493. A letter from the Secretary, Department of Veterans' Affairs, transmitting the Department's Annual Accountability Report for FY 2000; to the Committee on Government Reform.

1494. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting the Bank's Annual Performance Report for FY 2000, pursuant to 12 U.S.C. 635g(a); to the Committee on Government Reform.

1495. A letter from the Director, Federal Emergency Management Agency, transmitting the Agency's Annual Performance Report for FY 2000; to the Committee on Government Reform.

1496. A letter from the Acting Congressional Liaison, Federal Labor Relations Authority, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1497. A letter from the Director and Inspector General, National Science Foundation, transmitting the Foundation's Accountability Report for FY 2000; to the Committee on Government Reform.

1498. A letter from the Director, National Science Foundation, transmitting the Foundation's Performance Report for FY 2000; to the Committee on Government Reform.

1499. A letter from the Chairman, Nuclear Regulatory Commission, transmitting a Performance and Accountability Report of FY 2000 and our Inspector General FY2000 Performance Report, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform.

1500. A letter from the Chairman, Occupational Safety and Health Review Commission, transmitting a report on the Fiscal Year 2001 Revised Final Annual Performance Plan; to the Committee on Government Reform.

1501. A letter from the Chairman, Occupational Safety And Health Review Commission, transmitting the Commission's Annual Program Performance Report for Fiscal Year 2000; to the Committee on Government Reform.

1502. A letter from the Director, Office of Federal Housing Enterprise Oversight, transmitting an Program Performance Report for FY 2000; to the Committee on Government Reform.

1503. A letter from the Deputy Director, Peace Corps, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1504. A letter from the Acting Director, Trade and Development Agency, transmitting the Agency's Performance Report for FY 2000; to the Committee on Government Reform.

1505. A letter from the Acting Executive Secretary, U.S. Agency For International Development, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

1506. A letter from the Chairman, United States International Trade Commission, transmitting a Program Performance Report for FY 2000; to the Committee on Government Reform.

1507. A letter from the Assistant to the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Federal Aid in Sports Fish Restoration Program; Participation by the District of Columbia and U.S. Insular Territories and Commonwealths (RIN: 1018–AD83) received April 3, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1508. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod by Vessels 60 Feet Length Overall and Using Pot Gear in the Bering Sea and Aleutian Islands Management Area [Docket No. 010112013–1013–01; I.D. 032301B] received April 2, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1509. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod by Catcher Processor Vessels Using Hook-and-line Gear in the Bering Sea and Aleutian Islands [Docket No. 010112013–1013–01; I.D. 032301A] received April 2, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1510. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in Statistical Area 610 of the Gulf of Alaska [Docket No. 010112013–1013–01; I.D. 032001D] received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1511. A letter from the Acting Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in the West Yakutat District in the Gulf of Alaska [Docket No. 000211039–0039–01; I.D. 032001B] received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1512. A letter from the Congressional Medal of Honor Society of the United States of America, transmitting the annual financial report of the Society for calendar year 2000, pursuant to 36 U.S.C. 1101(19) and 1103; to the Committee on the Judiciary.

1513. A letter from the Director, Policy Directives and Instructions Branch, INS, Department of Justice, transmitting the Department's final rule—Adding Colombia to the List of Countries Whose Citizens or Nationals Are Ineligible for Transit Without Visa (TWOV) Privileges to the United States Under the TWOV Program [INS No. 2129–AG16] (RIN: 1115–01) received April 4, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

1514. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's final rule—VISAS: Nonimmigrant Visa Fees—Fee Reduction for Border Crossing Cards for Mexicans Under Age 15 (RIN: 1400–AA97) received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

1515. A letter from the Acting Secretary of the Army, Department of Defense, transmitting a report on the navigation improvements for the Port Jersey Channel, Bayonne, New Jersey; to the Committee on Transportation and Infrastructure.

1516. A letter from the Acting Secretary of the Army, Department of Defense, transmitting a report on the Success Dam, Tule River Basin, California; to the Committee on Transportation and Infrastructure.

1517. A letter from the Administrator, FAA, Department of Transportation, transmitting a report on Alternative Power Sources For Flight Data Recorders And Cockpit Voice Recorders; to the Committee on Transportation and Infrastructure.

1518. A letter from the Senior Trial Attorney, Office of the Secretary, Department of Transportation, transmitting the Department's final rule—Extension of Computer Reservations Systems (CRS) Regulations [Docket No. OST–2001–9054] (RIN: 2105–AD00) received April 2, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1519. A letter from the Administrator, Environmental Protection Agency, transmitting a report on the Great Lakes Ecosystem in the years 1998–2000; to the Committee on Transportation and Infrastructure.

1520. A letter from the Chairman, Federal Maritime Commission, transmitting the 39th Annual Report of the Federal Maritime Commission for fiscal year 2000, pursuant to 46 U.S.C. app. 1118; to the Committee on Transportation and Infrastructure.

1521. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Announcement and Report Concerning Advance Pricing Agreements—received March 29, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1522. A letter from the Director, Defense Security Cooperation Agency, transmitting a report authorizing the transfer of up to $100M in defense articles and services to the Government of Bosnia-Herzegovina, pursuant to Public Law 104—107, section 540(c) (110 Stat. 736); jointly to the Committees on International Relations and Appropriations.

1523. A letter from the Chairman, Federal Prison Industries, Inc., Department of Justice, transmitting the 2000 Annual Report of the Federal Prison Industries, Inc. (FPI), pursuant to 18 U.S.C. 4127; jointly to the Committees on the Judiciary and Government Reform.

1524. A letter from the Executive Secretary, Health Care Financing Administration, Department of Health and Human Services, transmitting the Department's final rule—Medicare and Medicaid Programs; Hospital Conditions of Participation: Anesthesia Services: Delay of Effective Date [HCFA–3049–F2] (RIN: 0938–AK08) received March 28, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Ways and Means and Energy and Commerce.

1525. A letter from the Chairman of the Board and the Acting Executive Director, Pension Benefit Guaranty Corporation, transmitting the Corporation's 2000 Annual Report, pursuant to 29 U.S.C. 1308; jointly to the Committees on Education and the Workforce, Ways and Means, and Government Reform.

1526. A letter from the Chairman, Federal Election Commission, transmitting the Comission's FY 2002 Budget Request, pursuant to 2 U.S.C. 437d(d)(1); jointly to the Committees on House Administration, Appropriations, and Government Reform.

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:

Mr. HYDE: Committee on International Relations. House Concurrent Resolution 73. Resolution expressing the sense of Congress that the 2008 Olympic Games should not be held in Beijing unless the Government of the People's Republic of China releases all political prisoners, ratifies the International Covenant on Civil and Political Rights, and observes internationally recognized human rights; with amendments (Rept. 107–40). Referred to the House Calendar.

Mr. TAUZIN: Committee on Energy and Commerce. H.R. 718. A bill to protect individuals, families, and Internet service providers from unsolicited and unwanted electronic mail; with an amendment (Rept. 107–41 Pt. 1). Ordered to be printed.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 2 of rule XII the following action was taken by the Speaker.

H.R. 718. Referral to the Committee on the Judiciary extended for a period ending not later than June 5, 2001.

H.R. 981. Referral to the Committee on the Budget extended for a period ending not later than September 5, 2001.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. GANSKE (for himself, Mrs. EMERSON, Mr. FRANK, Mr. WYNN, Mr. HORN, Mr. GILCHREST, Mr. TRAFICANT, Mr. LEACH, Mr. JONES of North Carolina, Mr. JOHNSON of Illinois, Mr. SANDERS, Mr. GUTKNECHT, and Mr. TERRY):

H.R. 1387. A bill to amend the Social Security Act to improve access to prescription drugs for low-income Medicare beneficiaries, the Internal Revenue Code and other Acts to improve access to health care coverage for seniors, the self-employed, and children, and to amend the Federal Food, Drug, and Cosmetic Act to improve meaningful access to reasonably priced prescription drugs; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GANSKE:

H.R. 1388. A bill to authorize funding for the National 4–H Program Centennial Initiative; to the Committee on Agriculture.

By Mr. DEFAZIO:

H.R. 1389. A bill to amend the Head Start Act to authorize the appropriation of $11,500,000,000 for fiscal year 2002; to the Committee on Education and the Workforce.

H.R. 1390. A bill to establish a child care provider scholarship program; to the Committee on Education and the Workforce.

H.R. 1391. A bill to amend the Child Abuse Prevention and Treatment Act to provide for an increase in the authorization of appropriations for community-based family resource and support grants under that Act; to the Committee on Education and the Workforce.

H.R. 1392. A bill to amend the Incentive Grants for Local Delinquency Prevention Program Act to authorize appropriations for fiscal year 2002 through 2006; to the Committee on Education and the Workforce.

H.R. 1393. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide financial assistance for the prevention of juvenile crime; to the Committee on Education and the Workforce.

H.R. 1394. A bill to increase the maximum amount of defense funds that may be obligated to carry out the National Guard civilian youth opportunities program; to the Committee on Armed Services.

H.R. 1395. A bill to increase discretionary funding for certain grant programs established under the ''Edward Byrne Memorial State and Local Law Enforcement Assistance Programs''; to the Committee on the Judiciary.

H.R. 1396. A bill to encourage States to require a holding period for any student expelled for bringing a gun to school; to the Committee on Education and the Workforce.

H.R. 1397. A bill to allow States to develop or expand instant gun checking capabilities, to allow a tax credit for the purchase of safe storage devices for firearms, to promote the fitting of handguns with child safety locks, and to prevent children from injuring themselves and others with firearms; to the Committee on the Judiciary, and in addition to

the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. RANGEL (for himself, Mr. BONIOR, Mrs. MINK of Hawaii, Mr. PASTOR, Mr. SAWYER, Mr. MCNULTY, Mr. PASCRELL, Mr. MATSUI, Mr. BARRETT, and Mr. LEVIN):

H.R. 1398. A bill to amend the Internal Revenue Code of 1986 to provide individual income tax rate reductions, tax relief to families with children, marriage penalty relief, and to immediately eliminate the estate tax for two-thirds of all decedents currently subject to the estate tax; to the Committee on Ways and Means.

By Mr. VISCLOSKY:

H.R. 1399. A bill to assure that the services of a nonemergency department physician are available to hospital patients 24-hours-a-day, seven days a week in all non-Federal hospitals with at least 100 licensed beds; to the Committee on Energy and Commerce.

By Mr. ALLEN (for himself, Mr. WAXMAN, Mr. STARK, Mr. BERRY, Mr. BONIOR, Mr. FROST, Mr. OBEY, Mrs. THURMAN, Mr. DOGGETT, Mr. BROWN of Ohio, Mr. GREEN of Texas, Ms. DELAURO, Mr. PALLONE, Mr. SHOWS, Mr. SANDERS, Ms. SCHAKOWSKY, Mr. CROWLEY, Mr. HINCHEY, Mr. BALDACCI, Mr. ABERCROMBIE, Mr. ANDREWS, Mr. BACA, Mr. BAIRD, Ms. BALDWIN, Mr. BARRETT, Ms. BERKLEY, Mr. BLAGOJEVICH, Mr. BLUMENAUER, Mr. BORSKI, Mr. BOYD, Mr. BRADY of Pennsylvania, Ms. BROWN of Florida, Ms. CARSON of Indiana, Mrs. CLAYTON, Mr. CLEMENT, Mr. CONYERS, Mr. CUMMINGS, Mr. DAVIS of Illinois, Mr. DEFAZIO, Ms. DEGETTE, Mr. DELAHUNT, Mr. EVANS, Mr. FALEOMAVAEGA, Mr. FILNER, Mr. HASTINGS of Florida, Ms. HOOLEY of Oregon, Ms. JACKSON-LEE of Texas, Mr. JEFFERSON, Mrs. JONES of Ohio, Ms. KAPTUR, Mr. KENNEDY of Rhode Island, Mr. KILDEE, Mr. KLECZKA, Mr. KUCINICH, Mr. LAMPSON, Mr. LANTOS, Mr. LARSON of Connecticut, Ms. LEE, Mr. LEWIS of Georgia, Mrs. LOWEY, Mrs. MCCARTHY of New York, Ms. MCCOLLUM, Mr. MCGOVERN, Ms. MCKINNEY, Mr. MCNULTY, Mrs. MALONEY of New York, Mr. MARKEY, Mr. MASCARA, Mr. MEEHAN, Mrs. MEEK of Florida, Mr. MEEKS of New York, Ms. MILLENDER-MCDONALD, Mr. GEORGE MILLER of California, Mrs. MINK of Hawaii, Mr. MOAKLEY, Mr. NADLER, Mrs. NAPOLITANO, Ms. NORTON, Mr. OBERSTAR, Mr. OLVER, Mr. ORTIZ, Mr. OWENS, Mr. PASTOR, Mr. PAYNE, Ms. PELOSI, Mr. PHELPS, Mr. POMEROY, Mr. RAHALL, Mr. REYES, Ms. RIVERS, Ms. ROYBAL-ALLARD, Mr. SANDLIN, Mr. SAWYER, Mr. SERRANO, Ms. SLAUGHTER, Mr. STRICKLAND, Mr. STUPAK, Mr. THOMPSON of Mississippi, Mr. TIERNEY, Mr. UDALL of New Mexico, Mr. UNDERWOOD, Ms. VELAZQUEZ, Ms. WATERS, Mr. WEINER, Mr. WEXLER, Ms. WOOLSEY, and Mr. WYNN):

H.R. 1400. A bill to provide for substantial reductions in the price of prescription drugs for Medicare beneficiaries; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PHELPS (for himself, Mr NETHERCUTT, and Mr. RUSH):

H.R. 1401. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income loan payments received under the National Health Service Corps Loan Repayment Program established in the Public Health Service Act; to the Committee on Ways and Means.

By Mr. THOMAS:

H.R. 1402. A bill to amend the Endangered Species Act of 1973 to reform the regulatory process under that Act; to the Committee on Resources.

H.R. 1403. A bill to reform Federal land management activities relating to endangered species conservation; to the Committee on Resources.

H.R. 1404. A bill to amend the Endangered Species Act of 1973 to reform provisions relating to liability for civil and criminal penalties under that Act; to the Committee on Resources.

By Mr. SMITH of New Jersey (for himself and Mr. LANTOS):

H.R. 1405. A bill to amend the Torture Victims Relief Act of 1998 to authorize appropriations to provide assistance for domestic centers and programs for the treatment of victims of torture; to the Committee on Energy and Commerce.

By Mr. EVANS (for himself, Mr. REYES, Mrs. CAPPS, and Mr. DOYLE):

H.R. 1406. A bill to amend title 38, United States Code, to improve presumptive compensation benefits for veterans with ill-defined illnesses resulting from the Persian Gulf War, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. YOUNG of Alaska (for himself, Mr. OBERSTAR, Mr. MICA, Mr. LIPINSKI, Mr. HUTCHINSON, Mr. DEFAZIO, Mr. HORN, Ms. MILLENDER-MCDONALD, Mr. QUINN, Ms. NORTON, Mr. EHLERS, Mr. BACHUS, Mr. BAKER, Mr. COOKSEY, Mr. LOBIONDO, Mr. ISAKSON, Mr. HAYES, Mr. JOHNSON of Illinois, Mr. KENNEDY of Minnesota, and Mr. KIRK):

H.R. 1407. A bill to amend title 49, United States Code, to permit air carriers to meet and discuss their schedules in order to reduce flight delays, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. ROGERS of Michigan (for himself, Mr. OXLEY, Mrs. KELLY, Mr. BACHUS, and Mr. TIBERI):

H.R. 1408. A bill to safeguard the public from fraud in the financial services industry, to streamline and facilitate the anitfraud information-sharing efforts of Federal and State regulators, and for other purposes; to the Committee on Financial Services, and in addition to the Committees on the Judiciary, and Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BAKER:

H.R. 1409. A bill to reform the regulation of certain housing-related Government-sponsored enterprises, and for other purposes; to the Committee on Financial Services.

By Mr. ISTOOK (for himself, Mr. DELAHUNT, Mr. BACHUS, Mr. CAPUANO, Mr. CONYERS, Mr. HUTCHINSON, Mr. FOLEY, Mr. FROST, Mr. ISAKSON, Mr. GORDON, Mr. LAHOOD, and Mr. MATSUI):

H.R. 1410. A bill to foster innovation and technological advancement in the development of the Internet and electronic commerce, and to assist the States in simplifying their sales and use taxes; to the Committee on the Judiciary.

By Mr. WELLER (for himself, Mr. NEAL of Massachusetts, Mrs. KELLY, Mr. TAUZIN, Mr. GOODLATTE, Mr. COX, Mr. CUNNINGHAM, Mr. ISSA, Mrs. WILSON, and Mr. EHRLICH):

H.R. 1411. A bill to amend the Internal Revenue Code of 1986 to allow qualified technological equipment and computer software to be expensed, and for other purposes; to the Committee on Ways and Means.

By Mr. COLLINS (for himself, Mr. LEWIS of Georgia, Mr. HYDE, Mr. CONYERS, Mr. SENSENBRENNER, Mr. BACHUS, Mr. BARR of Georgia, Mr. BECERRA, Mr. BERMAN, Mr. BLUNT, Mr. BOEHNER, Mr. BOUCHER, Mr. CAMP, Mr. CARDIN, Mr. COMBEST, Mr. CONDIT, Mr. CRANE, Mr. DAVIS of Illinois, Mr. DEAL of Georgia, Mr. DOOLITTLE, Ms. DUNN, Mr. EDWARDS, Mr. FARR of California, Mr. FOLEY, Mr. FRANK, Mr. GILLMOR, Mr. GOODE, Mr. GOODLATTE, Mr. GONZALEZ, Mr. GRAHAM, Mr. HALL of Texas, Mr. HALL of Ohio, Mr. HAYWORTH, Mr. HERGER, Mr. HOBSON, Mr. HOUGHTON, Mr. HUTCHINSON, Mr. ISAKSON, Mr. JEFFERSON, Mr. SAM JOHNSON of Texas, Mrs. JONES of Ohio, Mr. KANJORSKI, Ms. KAPTUR, Mr. KING, Mr. KLECZKA, Mr. LATOURETTE, Ms. LEE, Mr. LEWIS of Kentucky, Mr. MATSUI, Ms. MCKINNEY, Mr. MCNULTY, Mr. OXLEY, Mr. PHELPS, Mr. PORTMAN, Ms. PRYCE of Ohio, Mr. REYES, Ms. ROYBAL-ALLARD, Mr. SAWYER, Mr. SCARBOROUGH, Mr. SCOTT, Mr. SESSIONS, Mr. SHIMKUS, Mr. SPENCE, Mr. STRICKLAND, Mr. TANNER, Mr. TIBERI, Mr. THOMPSON of California, Mr. THORNBERRY, Mrs. THURMAN, Mr. VITTER, Mr. WATKINS, Mr. WELDON OF FLORIDA, Mr. WELLER, Mr. PITTS, and Mr. REGULA):

H.R. 1412. A bill to amend the Internal Revenue Code of 1986 to provide relief for payment of asbestos-related claims; to the Committee on Ways and Means.

By Mr. WAXMAN (for himself, Mr. GEPHARDT, Mr. BONIOR, Mr. DINGELL, Mr. PALLONE, Mr. BROWN of Ohio, Ms. DELAURO, Mr. FROST, Mr. CONYERS, Mr. EVANS, Mr. LANTOS, Mr. OBERSTAR, Mr. OBEY, Mrs. CAPPS, Mr. MARKEY, Mr. MATSUI, Mr. SANDERS, Ms. SCHAKOWSKY, Mr. INSLEE, Mr. FARR of California, Mr. DAVIS of Illinois, Mr. ABERCROMBIE, Mr. MCGOVERN, Mr. JEFFERSON, Ms. JACKSON-LEE of Texas, Mr. HINCHEY, Mr. RUSH, Mrs. JONES of Ohio, Mr. GEORGE MILLER of California, Mr. MCDERMOTT, Mr. MEEKS of New York, Mrs. MINK of Hawaii, Mr. OWENS, Mr. PAYNE, Ms. PELOSI, Mr. HONDA, Mr. MORAN of Virginia, Mr. KILDEE, Mr. HILLIARD, Mr. HOLT, Mr. ALLEN, Mr. BERMAN, Mr. NCNULTY, Mr. CROWLEY, Mr. GUTIERREZ, Mr. PASCRELL, Mr. KENNEDY of Rhode Island, Mr. THOMPSON of California, Mr. LEVIN, Mrs. MALONEY of New York, Mr. STRICKLAND, Mr. WEINER, Ms. LEE, Mr. SERRANO, Mr. CAPUANO, Ms. SOLIS, Mr. HASTINGS of Florida, Ms. WOOLSEY, Mr. WEXLER, Mr. HOYER, Mrs. DAVIS of California, Ms. ESHOO, Mr. FILNER, Ms. HARMAN, Ms. LOFGREN, Ms. MILLENDER-MCDONALD, Ms. ROYBAL-ALLARD, Ms. SANCHEZ, Mr. SCHIFF, Mr. SHERMAN, Mr. STARK, Mrs. TAUSCHER, Ms. WATERS, Ms. DEGETTE, Mr. UDALL of Colorado, Mr. DEFAZIO, Ms. HOOLEY of Oregon, Mr. WU, Ms. RIVERS, Mr. CARSON of Oklahoma, Ms. EDDIE BERNICE JOHNSON of Texas, Mrs. CLAYTON, Mr. DOGGETT, Mr. LARSON of Connecticut, Mr. BALDACCI, Mr. DELAHUNT, Mr. FRANK, Mr. MEEHAN, Mr. NEAL of Massachusetts, Mr. OLVER, Mr. TIERNEY, Mr. LANGEVIN, Ms. BALDWIN, Mr. BARRETT, Mr. BLAGOJEVICH, Mr.

COSTELLO, Mr. JACKSON of Illinois, Ms. KAPTUR, Mr. KUCINICH, Mr. SAWYER, Mr. SPRATT, Ms. KILPATRICK, Mr. LUTHER, Mr. DEUTSCH, Mr. MALONEY of Connecticut, Mr. LAMPSON, Mr. BENTSEN, Mr. GREEN of Texas, Mr. GONZALEZ, Ms. MCCOLLUM, Mr. CLAY, Mr. NADLER, Mr. STUPAK, Mr. SCOTT, Mr. PRICE of North Carolina, Mr. BECERRA, Mr. ROTHAM, Mr. BLUMENAUER, Mr. LEWIS of Georgia, Ms. MCCARTHY of Missouri, Ms. MCKINNEY, Mr. EDWARDS, Mr. ENGEL, Mr. KLECZKA, Mr. MENENDEZ, Mr. POMEROY, Mrs. MEEK of Florida, Ms. VELAZQUEZ, Mr. VISCLOSKY, Mr. WYNN, Mr. TOWNS, Mr. DAVIS of Florida, Mr. ANDREWS, Mr. HOEFFEL, Mr. ETHERIDGE, Mr. KANJORSKI, Mr. ACKERMAN, Mr. BORSKI, Mr. BOSWELL, Mr. BRADY of Pennsylvania, Mr. CARDIN, Mr. CLEMENT, Mr. FATTAH, Mr. HALL of Ohio, Mr. HINOJOSA, Mr. ISRAEL, Mr. LAFALCE, Mr. LIPINSKI, Mr. MASCARA, Mrs. MCCARTHY of New York, Mr. MOAKLEY, Mr. MURTHA, Mrs. NAPOLITANO, Mr. RANGEL, Mr. SKELTON, Ms. SLAUGHTER, Mrs. THURMAN, Mr. WATT of North Carolina, Mr. HOLDEN, Mr. KIND, and Mr. BAIRD):

H.R. 1413. A bill to codify the rule establishing a maximum contaminant level for arsenic published in the Federal Register by the Environmental Protection Agency on January 22, 2001, and for other purposes; to the Committee on Energy and Commerce.

By Mr. RANGEL (for himself, Mr. MCNULTY, Mr. TOWNS, Mr. LAFALCE, Ms. SLAUGHTER, Mr. HINCHEY, Mr. CROWLEY, Mrs. MALONEY of New York, Mr. SERRANO, and Mr. GILMAN):

H.R. 1414. A bill to amend the Internal Revenue Code of 1986 to expand the work opportunity tax credit for small business jobs creation; to the Committee on Ways and Means.

By Mr. RANGEL (for himself, Mr. MCNULTY, Mr. TOWNS, Mr. LAFALCE, Ms. SLAUGHTER, Mr. HINCHEY, Mr. CROWLEY, Mrs. MALONEY of New York, and Mr. SERRANO):

H.R. 1415. A bill to amend the Internal Revenue Code of 1986 to provide an income tax credit to holders of bonds financing new communications technologies, and for other purposes; to the Committee on Ways and Means.

By Mr. LAFALCE (for himself, Mr. HINCHEY, Mr. RANGEL, Mrs. MALONEY of New York, Mr. MCNULTY, Ms. SLAUGHTER, and Mr. BOEHLERT):

H.R. 1416. A bill to provide grants and other incentives to promote new communications technologies, and for other purposes; to the Committee on Energy and Commerce.

By Mr. HINCHEY (for himself, Mr. QUINN, Mr. LAFALCE, Mr. MCNULTY, Ms. SLAUGHTER, Mrs. MALONEY of New York, Mr. RANGEL, Mr. SERRANO, and Mr. TOWNS):

H.R. 1417. A bill to expand the Manufacturing Extension Program to bring the new economy to small and medium-sized businesses; to the Committee on Financial Services.

By Mr. QUINN (for himself, Mr. HINCHEY, Mr. LAFALCE, Mr. MCNULTY, Ms. SLAUGHTER, and Mrs. MALONEY of New York):

H.R. 1418. A bill to provide for business incubator activities, and for other purposes; to the Committee on Financial Services.

By Mr. HINCHEY (for himself, Mr. LAFALCE, Mr. MCNULTY, Ms. SLAUGHTER, Mrs. MALONEY of New York, Mr. SERRANO, Mr. RANGEL, and Mr. TOWNS):

H.R. 1419. A bill to establish regional skills alliances, and for other purposes; to the Committee on Education and the workforce.

By Mr. HALL of Ohio (for himself, Mr. WOLF, Mrs. EMERSON, Mrs. CLAYTON, and Mr. GOODLATTE):

H.R. 1420. A bill to establish the Bill Emerson and Mickey Leland memorial fellowship programs, and for other purposes; to the Committee on Agriculture, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ACKERMAN (for himself, Mr. ALLEN, Ms. BALDWIN, Mr. BASS, Mr. BERMAN, Mr. BLUMENAUER, Mr. BORSKI, Mr. CLYBURN, Mr. CONYERS, Mr. CROWLEY, Mr. DELAHUNT, Mr. DEUTSCH, Mr. DOYLE, Mr. ENGEL, Mr. EVANS, Mr. FILNER, Mr. FOLEY, Mr. FRANK, Mr. FRELINGHUYSEN, Mr. GILMAN, Mr. GOSS, Mr. HINCHEY, Mr. HOLT, Mr. HORN, Mr. INSLEE, Mrs. KELLY, Mr. KILDEE, Mr. KLECZKA, Mr. KUCINICH, Mr. LANTOS, Mr. LEWIS of Georgia, Mr. LIPINSKI, Mrs. LOWEY, Mr. MCDERMOTT, Mr. MCGOVERN, Mr. MEEHAN, Mr. GEORGE MILLER of California, Mr. MOORE, Mr. NADLER, Mr. NEAL of Massachusetts, Mr. PALLONE, Mr. PASCRELL, Ms. PELOSI, Mr. PHELPS, Ms. RIVERS, Mrs. ROUKEMA, Mr. SABO, Mr. SMITH of Washington, Mr. SMITH of New Jersey, Mr. TIERNEY, Mr. TOWNS, Mr. UDALL of Colorado, Mr. WEINER, Ms. WOOLSEY, Mrs. MALONEY of New York, Ms. MCKINNEY, Mrs. MORELLA, Mr. STARK, Mr. RANGEL, Ms. JACKSON-LEE of Texas, Mr. MALONEY of Connecticut, Mrs. MCCARTHY of New York, Mr. WEXLER, Mr. SHAYS, Mrs. TAUSCHER, Mr. ABERCROMBIE, Ms. SLAUGHTER, Ms. KILPATRICK, Mr. GALLEGLY, Ms. CARSON of Indiana, Mr. BARCIA, Ms. SCHAKOWSKY, Mr. DEFAZIO, Mr. ANDREWS, Ms. DELAURO, Mr. RUSH, Mrs. JOHNSON of Connecticut, Mr. WOLF, Mr. BONIOR, Mr. HYDE, Ms. ROYBAL-ALLARD, and Mrs. CLAYTON):

H.R. 1421. A bill to amend the Packers and Stockyards Act, 1921, to make it unlawful for any stockyard owner, market agency, or dealer to transfer or market nonambulatory cattle, sheep, swine, horses, mules, or goats, and for other purposes; to the Committee on Agriculture.

By Mr. ANDREWS:

H.R. 1422. A bill to amend title I of the Employee Retirement Income Security Act of 1974 to provide, in the case of an employee welfare benefit plan providing benefits in the event of disability, an exemption from preemption under such title for State tort actions to recover damages arising from the failure of the plan to timely provide such benefits; to the Committee on Education and the Workforce.

By Mr. BACA:

H.R. 1423. A bill to provide for quality remedial education by encouraging increased partnerships between middle and high schools with community and technical colleges which have experience in remedial education services; to the Committee on Education and the Workforce.

H.R. 1424. A bill to amend the Telemarketing and Consumer Fraud and Abuse Prevention Act to direct the Federal Trade Commission to prescribe rules that prohibit certain deceptive and abusive recovery practices in connection with telemarketing; to the Committee on Energy and Commerce.

By Mr. BACA (for himself, Mr. FATTAH, Ms. MCCARTHY of Missouri, Mr. SABO, Ms. MILLENDER-MCDONALD, Mr. BOYD, Mr. MOORE, Mr. FALEOMAVAEGA, Ms. SOLIS, Mr. JACKSON of Illinois, Mr. FILNER, Mr. RAHALL, and Mr. RANGEL):

H.R. 1425. A bill to provide for the award of a gold medal on behalf of the Congress to Tiger Woods, in recognition of his service to the Nation in promoting excellence and good sportsmanship, and in breaking barriers with grace and dignity by showing that golf is a sport for all people; to the Committee on Financial Services.

By Mr. BASS:

H.R. 1426. A bill to amend the Consumer Product Safety Act to provide that low-speed electric personal assistive mobility devices are consumer products subject to that Act; to the Committee on Energy and Commerce.

By Mr. BENTSEN (for himself and Mr. BRADY of Texas):

H.R. 1427. A bill to amend the Internal Revenue Code of 1986 to permit the issuance of tax-exempt bonds for certain air and water pollution control facilities; to the Committee on Ways and Means.

By Mr. BEREUTER (for himself, Mr. BLUMENAUER, and Mr. COSTELLO):

H.R. 1428. A bill to amend the National Flood Insurance Act of 1968 to reduce losses to properties for which repetitiveness flood insurance claim payments have been made; to the Committee on Financial Services.

By Ms. BERKLEY (for herself, Mr. UDALL of Colorado, Mr. FROST, Ms. SLAUGHTER, Mr. SERRANO, Mrs. THURMAN, Mr. SANDLIN, Mr. WEXLER, Mr. LANTOS, Mr. BAIRD, Ms. LEE, Ms. CARSON of Indiana, Mr. ACEVEDO-VILA, Mr. GUTIERREZ, and Mr. MCGOVERN):

H.R. 1429. A bill to improve academic and social outcomes for students and reduce both juvenile crime and the risk that youth will become victims of crime by providing productive activities during after school hours; to the Committee on Education and the Workforce.

By Mrs. BIGGERT:

H.R. 1430. A bill to provide States with funds to support State, regional, and local school construction; to the Committee on Education and the Workforce.

By Mr. BILIRAKIS (for himself, Mr. OTTER, Mr. NORWOOD, Mr. SAWYER, Mr. SCARBOROUGH, Mr. SHIMKUS, Mrs. THURMAN, and Mr. TRAFICANT):

H.R. 1431. A bill to provide additional authority to the Office of Ombudsman of the Environmental Protection Agency; to the Committee on Energy and Commerce.

By Mr. BISHOP (for himself, Mr. KINGSTON, Mr. LEWIS of Georgia, Mr. DEAL of Georgia, Mr. NORWOOD, and Mr. COLLINS):

H.R. 1432. A bill to designate the facility of the United States Postal Service located at 3698 Inner Perimeter Road in Valdosta, Georgia, as the ''Major Lyn McIntosh Post Office Building''; to the Committee on Government Reform.

By Mr. BLUMENAUER (for himself, Mr. ABERCROMBIE, Mr. FARR of California, Mr. GILCHREST, Mr. GILLMOR, Mr. HOEFFEL, Mr. ISAKSON, Mrs. JONES of Ohio, Mr. PALLONE, and Mr. UDALL of Colorado):

H.R. 1433. A bill to authorize the Secretary of Housing and Urban Development to make grants to assist States, tribal governments, and Native Hawaiian organizations in their efforts to develop or update land use planning legislation in order to promote more environmentally compatible and effective urban development, improved quality of life, regionalism, sustainable economic development, and environmental stewardship, and

for other purposes; to the Committee on Financial Services, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CAMP (for himself, Mr. RANGEL, Mr. FOLEY, Mr. LEVIN, Mr. GORDON, Mr. MANZULLO, Mr. RYAN of Wisconsin, and Mr. LATOURETTE):

H.R. 1434. A bill to amend the Internal Revenue Code of 1986 to restore and make permanent the exclusion from gross income for amounts received under qualified group legal services plans and to increase the maximum amount of the exclusion; to the Committee on Ways and Means.

By Mrs. CAPPS (for herself, Mr. EVANS, Mr. TOWNS, Ms. JACKSON-LEE of Texas, Mr. LUTHER, Ms. NORTON, Mr. MOORE, Mr. KILDEE, Mr. ROSS, Mr. OWENS, Ms. WOOLSEY, Mr. DOYLE, Mr. LANTOS, Mr. GONZALEZ, Ms. MCKINNEY, Mr. BLUMENAUER, Mr. SANDERS, Mr. HOLDEN, Ms. WATERS, Mr. HONDA, Mr. PASCRELL, Mrs. MALONEY of New York, Mrs. CHRISTENSEN, Mr. STRICKLAND, Mr. MEEHAN, Mrs. NAPOLITANO, Mr. MASCARA, Mr. NEAL of Massachusetts, Mr. HINOJOSA, Mr. BOUCHER, Mr. SHERMAN, Ms. DELAURO, Mr. WYNN, Ms. KILPATRICK, Mr. MOLLOHAN, Mr. UDALL of New Mexico, Mr. FILNER, Mr. FALEOMAVAEGA, Mr. COYNE, Ms. HOOLEY of Oregon, Mr. FROST, Mr. LEWIS of Georgia, Mr. RAHALL, Mr. MORAN of Virginia, Mr. OBERSTAR, Mr. WEXLER, Mr. BECERRA, Mr. RODRIGUEZ, Mr. KIND, Ms. SLAUGHTER, Mr. UNDERWOOD, Mr. BERMAN, Ms. BALDWIN, Ms. CARSON of Indiana, Mrs. TAUSCHER, Mr. STUPAK, Mr. EHRLICH, and Mr. ENGLISH):

H.R. 1435. A bill to authorize the Secretary of Veterans Affairs to award grants to provide for a national toll-free hotline to provide information and assistance to veterans; to the Committee on Veterans' Affairs.

By Mrs. CAPPS (for herself, Mrs. KELLY, Mrs. MCCARTHY of New York, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. DELAURO, Mr. GILMAN, Ms. HOOLEY of Oregon, Mr. LARSON of Connecticut, Mr. TOWNS, Mr. LANGEVIN, Mr. STENHOLM, Mr. PASCRELL, Mr. DEFAZIO, Mr. RUSH, Mr. BALDACCI, Mr. FROST, Mr. POMEROY, Mr. MATSUI, Ms. SOLIS, Mr. BARRETT, Mr. LANTOS, Mr. MCGOVERN, Mr. KIND, Mr. ABERCROMBIE, Mr. GREEN of Texas, Ms. ESHOO, Mr. WYNN, and Mr. DINGELL):

H.R. 1436. A bill to amend the Public Health Service Act, titles XVIII and XIX of the Social Security Act, and the Internal Revenue Code of 1986 which respect to alleviating the nursing profession shortage, and for other purposes; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. COLLINS (for himself, Mr. NORWOOD, Mr. DEAL of Georgia, and Mr. CHAMBLISS):

H.R. 1437. A bill to amend the Internal Revenue Code of 1986 to reduce the maximum estate and gift tax rate to 45 percent, to replace the unified credit against the estate and gift tax with a unified exemption amount, and to increase the gift exclusion amount; to the Committee on Ways and Means.

By Mr. COLLINS:

H.R. 1438. A bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for taxpayers owning certain commercial power takeoff vehicles; to the Committee on Ways and Means.

By Mr. COYNE (for himself and Mr. WELLER):

H.R. 1439. A bill to amend the Internal Revenue Code of 1986 to extend permanently environmental remediation costs; to the Committee on Ways and Means.

By Mrs. DAVIS of California:

H.R. 1440. A bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to require that group and individual health insurance coverage and group health plans permit enrollees direct access to services of obstetrical and gynecological physician services directly and without a referral; to the Committee on Energy and Commerce, and in addition to the Committees on Education and the Workforce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DEMINT (for himself, Mr. STENHOLM, and Mr. ARMEY):

H.R. 1441. A bill to amend the Fair Labor Standards Act of 1938 to provide an exemption to States which adopt certain minimum wage laws; to the Committee on Education and the Workforce.

By Mr. DEUTSCH:

H.R. 1442. A bill to amend the Internal Revenue Code of 1986 to increase the unified credit against estate and gift taxes to the equivalent of a $5,000,000 exclusion and to provide an inflation adjustment of such amount; to the Committee on Ways and Means.

By Mr. DOGGETT (for himself, Mr. STARK, Mr. MATSUI, Mr. CARDIN, Mr. MCDERMOTT, Mr. LEWIS of Georgia, Mr. NEAL of Massachusetts, Mr. TANNER, Mrs. THURMAN, Mr. POMEROY, Mr. GONZALEZ, Mr. HOLT, Mr. SHERMAN, Mr. CAPUANO, and Mr. ETHERIDGE):

H.R. 1443. A bill to amend the Internal Revenue Code of 1986 to allow the Secretary of the Treasury to disclose taxpayer identity information through mass communications to notify persons entitled to tax refunds; to the Committee on Ways and Means.

By Mr. DOOLITTLE (for himself, Mr. DELAY, Mr. ARMEY, Mr. BLUNT, Mrs. CUBIN, Mr. COX, Mr. DREIER, Mr. BALLENGER, Mr. BARR of Georgia, Mr. BARTON of Texas, Mrs. BONO, Mr. BRYANT, Mr. BURTON of Indiana, Mr. CALVERT, Mr. CAMP, Mr. CANNON, Mr. CANTOR, Mr. CULBERSON, Mr. CUNNINGHAM, Mr. FLAKE, Mr. GIBBONS, Mr. HANSEN, Mr. HEFLEY, Mr. HERGER, Mr. HOEKSTRA, Mr. HOSTETTLER, Mr. HUNTER, Mr. SAM JOHNSON of Texas, Mr. JONES of North Carolina, Mr. LARGENT, Mr. LEWIS of Kentucky, Mr. MCINNIS, Mr. GARY G. MILLER of California, Mr. NORWOOD, Mr. OXLEY, Mr. PENCE, Mr. PICKERING, Mr. POMBO, Mr. RADANOVICH, Mr. ROHRABACHER, Mr. RYUN of Kansas, Mr. SCHROCK, Mr. SESSIONS, Mr. SHADEGG, Mr. SIMPSON, Mr. SKEEN, Mr. SPENCE, Mr. TANCREDO, Mr. TAUZIN, Mr. TAYLOR of North Carolina, Mr. TIAHRT, Mr. TOOMEY, Mr. WELDON of Florida, Mr. WHITFIELD, Mr. YOUNG of Alaska, Mr. MCCRERY, Mr. BOEHNER, Mr. EVERETT, Mr. COLLINS, Ms. PRYCE of Ohio, Mr. LEWIS of California, Mr. WATKINS, Ms. DUNN, Mr. HAYWORTH, Mr. CRANE, Mr. PETERSON of Pennsylvania, Mr. NETHERCUTT, Mr. KNOLLENBERG, Mr. HASTINGS of Washington, Mr. ISSA, Mr. CHAMBLISS, and Mr. BURR of North Carolina):

H.R. 1444. A bill to amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for election for Federal office; to the Committee on House Administration, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ENGLISH (for himself and Mr. GALLEGLY):

H.R. 1445. A bill to amend the Federal Election Campaign Act of 1971 to require candidates for election to the House of Representatives or Senate to raise not less than 50 percent of their contributions from residents of the States the candidates seek to represent and not less than 50 percent of their contributions from individuals, and for other purposes; to the Committee on House Administration.

By Mr. ENGLISH:

H.R. 1446. A bill to provide trade negotiating authority; to the Committee on Ways and Means, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FALEOMAVAEGA:

H.R. 1447. A bill to amend the Federal Election Campaign Act of 1971 to clarify the right of nationals of the United States to make contributions in connection with an election to political office; to the Committee on House Administration.

H.R. 1448. A bill to clarify the tax treatment of bonds and other obligations issued by the Government of American Samoa; to the Committee on Ways and Means, and in addition to the Committees on the Judiciary, and Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FOLEY (for himself and Mr. ACKERMAN):

H.R. 1449. A bill to amend the Immigration and Nationality Act to provide that aliens who commit acts of torture or war crimes abroad are inadmissible and removable and to establish within the Criminal Division of the Department of Justice an Office of Special Investigations having responsibilities under that Act with respect to all alien participants in war crimes or acts of genocide or torture abroad; to the Committee on the Judiciary.

By Mr. FOLEY (for himself, Mr. MICA, Mrs. THURMAN, Mr. DAVIS of Florida, Mr. STEARNS, Mrs. MEEK of Florida, Mr. WEXLER, Mr. DIAZ-BALART, and Ms. ROS-LEHTINEN):

H.R. 1450. A bill to direct the Department of Veterans Affairs to establish a new veterans benefits office in the State of Florida, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. FOLEY (for himself, Mr. POMEROY, and Mr. TANNER):

H.R. 1451. A bill to amend title XVIII of the Social Security Act to provide for the fair treatment of certain physician pathology services under the Medicare Program; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FRANK (for himself, Mr. FROST, Mr. DIAZ-BALART, Mr. MCGOVERN, Mr. KENNEDY of Rhode Island, Ms.

JACKSON-LEE of Texas, Mr. BALDACCI, Mr. CAPUANO, Mr. DELAHUNT, Mr. FILNER, Mr. MCDERMOTT, Mrs. MINK of Hawaii, Mr. RANGEL, Mr. RODRIGUEZ, Ms. SCHAKOWSKY, Mr. GEORGE MILLER of California, and Mr. LANGEVIN):

H.R. 1452. A bill to amend the Immigration and Nationality Act to permit certain long-term permanent resident aliens to seek cancellation of removal under such Act, and for other purposes; to the Committee on the Judiciary.

By Mr. GALLEGLY:

H.R. 1453. A bill to strengthen warning labels on smokeless tobacco products; to the Committee on Energy and Commerce.

H.R. 1454. A bill to prohibit the importation of bidi cigarettes; to the Committee on Ways and Means.

By Mr. GOODE (for himself, Mr. RYUN of Kansas, Mr. COOKSEY, Mr. THUNE, Mr. BARR of Georgia, Mr. BARCIA, Mr. HEFLEY, Mr. HALL of Texas, and Mr. PAUL):

H.R. 1455. A bill to repeal section 658 of Public Law 104–208, commonly referred to as the Lautenberg amendment; to the Committee on the Judiciary.

By Mr. GOODE (for himself, Mr. SCHROCK, Mr. TOM DAVIS of Virginia, Mr. SCOTT, Mr. MORAN of Virginia, and Mr. BOUCHER):

H.R. 1456. A bill to expand the boundary of the Booker T. Washington National Monument, and for other purposes; to the Committee on Resources.

By Mr. GUTIERREZ (for himself, Mr. SERRANO, Ms. BROWN of Florida, Mr. BONIOR, Mr. FRANK, Mr. BLAGOJEVICH, Mr. OWENS, Mr. CUMMINGS, Mr. MCDERMOTT, Mr. FARR of California, Mr. CAPUANO, Mr. HILLIARD, Mr. JACKSON of Illinois, Mr. MATSUI, Mr. COSTELLO, Mr. MCNULTY, Mr. THOMPSON of Mississippi, Mr. RUSH, Ms. VELAZQUEZ, Ms. JACKSON-LEE of Texas, Mr. MCGOVERN, Mr. PAYNE, Mrs. MINK of Hawaii, Ms. SCHAKOWSKY, Mr. EVANS, Ms. WATERS, Mr. WYNN, Mr. FILNER, Mr. REYES, Ms. NORTON, Mr. STARK, Mr. NADLER, Ms. MCKINNEY, Mr. FATTAH, Mr. CONYERS, Ms. BALDWIN, Mr. RODRIGUEZ, Mr. KUCINICH, Mr. GEORGE MILLER of California, Mr. JEFFERSON, Ms. WOOLSEY, Mr. MALONEY of Connecticut, Ms. LEE, Ms. PELOSI, Mr. STRICKLAND, Mr. TOWNS, Ms. ROYBAL-ALLARD, Ms. MILLENDER-MCDONALD, Mr. ORTIZ, Mr. BACA, Mr. CLAY, Mr. MOAKLEY, Mrs. JONES of Ohio, Mr. LIPINSKI, Mr. ENGEL, Mr. HOEFFEL, Mrs. CHRISTENSEN, Ms. KILPATRICK, Ms. CARSON of Indiana, Mr. DEFAZIO, Mr. GONZALEZ, Mr. HINCHEY, Mrs. NAPOLITANO, Mr. PHELPS, Mr. BRADY of Pennsylvania, and Mr. GREEN of Texas):

H.R. 1457. A bill to provide for livable wages for Federal Government workers and workers hired under Federal contracts; to the Committee on Government Reform, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HAYES (for himself, Mr. GRAHAM, Mr. DEMINT, and Mr. MCINTYRE):

H.R. 1458. A bill to limit the exceptions to certain ''Buy American'' requirements, and to expand such requirements; to the Committee on Armed Services.

By Mr. HAYWORTH (for himslef, Mr. ENGLISH, Mr. MATSUI, Mr. WELLER, Mr. NEAL of Massachusetts, Mr. HOUGHTON, Ms. BALDWIN, Mr. KING, Mr. SPRATT, and Mr. GRAHAM):

H.R. 1459. A bill to amend the Internal Revenue Code of 1986 to improve electric reliability, enhance transmission infrastructure, and to facilitate access to the electric transmission grid; to the Committee on Ways and Means.

By Mr. HEFLEY:

H.R. 1460. A bill to amend section 922 of chapter 44 of title 18, United States Code, to protect the rights of citizens under the Second Amendment to the Constitution of the United States; to the Committee on the Judiciary.

H.R. 1461. A bill to amend the National Parks Omnibus Management Act of 1998 to remove the exemption for nonprofit organizations from the general requirement to obtain commercial use authorizations; to the Committee on Resources.

By Mr. HEFLEY (for himself, Mr. OTTER, Mr. CANNON, and Mr. KENNEDY of Rhode Island):

H.R. 1462. A bill to require the Secretary of the Interior to establish a program to provide assistance through states to eligible weed management entities to control or eradicate harmful, nonnative weeds on public and private land; to the Committee on Resources, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HERGER (for himself, Mr. CRANE, Mr. ENGLISH, Mr. FOLEY, Mr. HOUGHTON, Mr. MATSUI, Mr. MCKEON, Mr. RAMSTAD, and Mr. NEAL of Massachusetts):

H.R. 1463. A bill to amend the Internal Revenue Code of 1986 to treat distributions from publicly traded partnerships as qualifiying income of regulated investment companies, and for other purposes; to the Committee on Ways and Means.

By Mr. HOLDEN (for himself, Mr. STARK, Mrs. BONO, Mr. CRAMER, Ms. HOOLEY of Oregon, Mr. MCINTYRE, Mr. BRADY of Pennsylvania, Mr. SNYDER, Mr. GORDON, Mr. SKELTON, Mr. DOYLE, Mr. TURNER, Mr. BORSKI, Mr. LAHOOD, Mr. TAYLOR of North Carolina, Mr. FROST, Mr. LATOURETTE, Mr. FRANK, Mr. PAUL, Mr. KILDEE, Mr. ANDREWS, Mrs. CAPPS, Ms. RIVERS, Mr. BOUCHER, Mr. MCNULTY, Mr. BALDACCI, Mr. MASCARA, Mr. GONZALEZ, Mr. WELDON of Pennsylvania, Mr. FILNER, Mr. LANTOS, Mr. GOODE, Ms. BROWN of Florida, Mr. BOEHLERT, Mrs. JONES of Ohio, Mr. CROWLEY, Mr. STUPAK, Mr. PASTOR, Ms. SCHAKOWSKY, Mr. HINCHEY, Ms. HART, Mrs. EMERSON, Mr. NEY, Mr. GEORGE MILLER of California, Mr. BARRETT, Mr. GILLMOR, Mr. DEFAZIO, Mr. EVANS, Mr. CONDIT, Ms. BERKLEY, Mr. KUCINICH, Mr. COSTELLO, Mr. CLEMENT, Ms. SOLIS, Mr. SERRANO, Ms. MCCARTHY of Missouri, Mr. SHAYS, Mr. COYNE, Mr. BOSWELL, and Mr. SMITH of New Jersey):

H.R. 1464. A bill to amend title II of the Social Security Act to provide that a monthly insurance benefit thereunder shall be paid for the month in which the recipient dies, subject to a reduction of 50 percent if the receipient dies during the first 15 days of such month, and for other purposes; to the Committee on Ways and Means.

By Mr. HOLT (for himself, Mr. GEORGE MILLER of California, Mr. UDALL of New Mexico, Mr. HINCHEY, Mr. PALLONE, Mr. BLUMENAUER, Mrs. MINK of Hawaii, Mr. NADLER, Mr. LEWIS of Georgia, Mr. HOEFFEL, Ms. MCKINNEY, Ms. DEGETTE, Mr. MOORE, Mr. FARR of California, Mr. KUCINICH, Mr. CAPUANO, Mr. MARKEY, and Mr. UDALL of Colorado):

H.R. 1465. A bill to restrict the use of snowmobiles in units of the National Park System; to the Committee on Resources.

By Mr. HOSTETTLER (for himself, Mr. RYUN of Kansas, Ms. MCKINNEY, Mr. SCHAFFER, Mr. BARTLETT of Maryland, Mr. PITTS, Mr. CHABOT, Mr. PENCE, Mr. SOUDER, Mr. JONES of North Carolina, Mr. GOODE, Mr. COX, Mr. DOOLITTLE, Mr. SMITH of Michigan, Mr. GIBBONS, Mr. CANTOR, Mr. SCHROCK, Mr. SMITH of New Jersey, Mr. ISTOOK, Mr. PAUL, Mr. SESSIONS, Mrs. JO ANN DAVIS of Virginia, Mrs. TAUSCHER, and Mr. ISSA):

H.R. 1466. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income any enlistment, accession, reenlistment, or retention bonus paid to a member of the Armed Forces; to the Committee on Ways and Means.

By Mr. HUNTER (for himself, Mr. TANCREDO, Mr. KINGSTON, Mr. WAMP, Mr. JONES of North Carolina, Mr. HAYES, Mr. BARTLETT of Maryland, Mr. GIBBONS, Ms. KAPTUR, Mr. SPENCE, Mr. BROWN of Ohio, Mr. STEARNS, Mr. BARR of Georgia, Mr. EVERETT, Mr. BURTON of Indiana, Mrs. CUBIN, Mr. DEFAZIO, Mr. SANDERS, Mr. HEFLEY, Mr. GRAHAM, Mr. SMITH of New Jersey, Mr. ROHRABACHER, Mr. NORWOOD, Mr. LIPINSKI, Mr. ADERHOLT, Mr. DUNCAN, Mr. HOSTETTLER, Mr. BILIRAKIS, Mr. GILMAN, Mr. TAYLOR of North Carolina, Mr. ROGERS of Michigan, Mr. TAYLOR of Mississippi, and Mr. CAPUANO):

H.R. 1467. A bill to withdraw nondiscriminatory treatment (normal trade relations treatment) from the People's Republic of China; to the Committee on Ways and Means.

By Mr. INSLEE (for himself, Mr. BACA, Mr. BECERRA, Mr. BAIRD, Mr. BERMAN, Mr. BLUMENAUER, Mrs. CAPPS, Mr. CAPUANO, Mr. CONDIT, Mrs. DAVIS of California, Mr. DEFAZIO, Mr. DICKS, Ms. ESHOO, Mr. FARR of California, Mr. FILNER, Mr. GEPHARDT, Ms. HARMAN, Mr. HONDA, Ms. HOOLEY of Oregon, Mr. LANTOS, Mr. LARSEN of Washington, Ms. LOFGREN, Ms. LEE, Mr. MATSUI, Mr. MCDERMOTT, Mr. GEORGE MILLER of California, Ms. MILLENDER-MCDONALD, Mrs. NAPOLITANO, Ms. SCHAKOWSKY, Mr. SHERMAN, Mr. SMITH of Washington, Ms. SOLIS, Mr. STARK, Mrs. TAUSCHER, Mr. THOMPSON of California, Ms. WATERS, Mr. WAXMAN, Ms. WOOLSEY, and Mr. WU):

H.R. 1468. A bill to establish the dysfunctional wholesale power market in the Western United States, and for other purposes; to the Committee on Energy and Commerce.

By Mr. JOHN:

H.R. 1469. A bill to amend title 38, United States Code, to provide for grants to repair veterans memorials; to the Committee on Veterans' Affairs.

By Mrs. JOHNSON of Connecticut (for herself, Mr. LEVIN, Mr. SHAW, Mr. CARDIN, Mr. HAYWORTH, Mr. MATSUI, Mr. WATKINS, Mr. KLECZKA, Mr. CAMP, Mr. RANGEL, Mr. RAMSTAD, Mr. COYNE, Mr. ENGLISH, Mr. JEFFERSON, Mr. HOUGHTON, Mr. MCDERMOTT, Mr. WALSH, Mr. MCNULTY, Mr. LOBIONDO, Mr. BECERRA, Mr. SIMMONS, Mr. STARK, Mr. KIRK, Mr. GEORGE MILLER of California, Mr. SHAYS, Ms. BALDWIN, Mr. SHIMKUS, Mr. CAPUANO, Mr.

SAXTON, Mr. BLAGOJEVICH, Mrs. MORELLA, Mr. DOYLE, Mr. SMITH of New Jersey, Mr. ABERCROMBIE, Mr. SANDLIN, Ms. ROYBAL-ALLARD, Mr. MALONEY of Connecticut, Mr. ALLEN, Mr. HINCHEY, Mrs. MALONEY of New York, Mr. MCGOVERN, Ms. SANCHEZ, Ms. RIVERS, Mr. LARSON of Connecticut, Mr. STRICKLAND, Ms. SCHAKOWSKY, Mrs. MINK of Hawaii, Mr. MENENDEZ, Mr. BALDACCI, Mr. BARRETT, Mr. BERMAN, Mr. CRAMER, Ms. DELAURO, Mr. ENGEL, Mr. FROST, Mr. HALL of Ohio, Mr. HILLIARD, Mr. HOLDEN, Ms. JACKSON-LEE of Texas, Ms. KILPATRICK, Mr. LAFALCE, Ms. LEE, and Ms. PELOSI):

H.R. 1470. A bill to amend titles IV and XX of the Social Security Act to restore funding for the Social Services Block Grant, and restore for fiscal year 2002 the ability of States to transfer up to 10 percent of funds from the program of block grants to States for temporary assistance for needy families to carry out activities under the Social Services Block Grant; to the Committee on Ways and Means.

By Mrs. JOHNSON of Connecticut (for herself and Mr. CARDIN):

H.R. 1471. A bill to provide more child support money to families leaving welfare, to simplify the rules governing the assisgnment and distribution of child support collected by States on behalf of children, to improve the collection of child support, to promote marriage, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. EDDIE BERNICE JOHNSON of Texas (for herself, Mr. HALL of Texas, Ms. RIVERS, Mr. ETHERIDGE, Mr. ISRAEL, Mr. COSTELLO, Ms. JACKSON-LEE of Texas, Mr. WU, Mr. UDALL of Colorado, Mr. LARSON of Connecticut, Ms. LOFGREN, Ms. WOOLSEY, Mr. GORDON, Mr. BACA, Mr. BARCIA, Mr. BAIRD, and Mr. MOORE):

H.R. 1472. A bill to authorize appropriations for fiscal years 2002, 2003, 2004, and 2005 for the National Science Foundation, and for other purposes; to the Committee on Science.

By Mr. JONES of North Carolina:

H.R. 1473. A bill to provide for expedited consideration by Congress of supplemental appropriations bills for the Department of Defense and the Coast Guard to meet critical national security needs; to the Committee on Rules.

By Mr. JONES of North Carolina (for himself, Mr. CLEMENT, Mr. BAKER, Mr. TAYLOR of Mississippi, Mr. BOEHLERT, Mr. SHOWS, Mr. TAUZIN, Mrs. CUBIN, Mr. GUTKNECHT, Mr. BRADY of Texas, Mr. HERGER, Mr. ENGLISH, Mr. OTTER, Mr. HANSEN, Mr. ARMEY, Mr. REHBERG, and Mr. BARCIA):

H.R. 1474. A bill to amend the Federal Water Pollution Control Act relating to wetlands mitigation banking, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. KILDEE (for himself, Mr. NEY, Mr. SAWYER, Mr. SAXTON, Mr. SCOTT, Mr. SMITH of New Jersey, Mr. STARK, Mr. STRICKLAND, Mr. STUPAK, Mr. THOMPSON of Mississippi, Mr. TIERNEY, Mr. TRAFICANT, Mr. UDALL of New Mexico, Mr. WATT of North Carolina, Ms. WOOLSEY, Mr. KENNEDY of Minnesota, Ms. ROYBAL-ALLARD, Mr. LANGEVIN, Mr. RANGEL, Ms. SOLIS, Mr. MALONEY of Connecticut, Mr. BONIOR, Mr. SHAYS, Mr. PETERSON of Minnesota, Mr. BOSWELL, Mr. BORSKI, Ms. SCHAKOWSKY, Mr. CLEMENT, Mr. LATOURETTE, Mr. KUCINICH, Mr. SHIMKUS, Mr. BARCIA, Mr. BALDACCI, Mr. YOUNG of Alaska, Mr. CRAMER, Mr. WEXLER, Mr. ABERCROMBIE, Mr. ALLEN, Mr. BERMAN, Mr. BOYD, Mrs. CAPPS, Ms. CARSON of Indiana, Mr. CONYERS, Mr. COSTELLO, Mr. CROWLEY, Mr. DAVIS of Florida, Mr. TOM DAVIS of Virginia, Mr. DELAHUNT, Mr. DICKS, Mr. DUNCAN, Mr. FARR of California, Mr. FILNER, Mr. FLETCHER, Mr. FROST, Mr. GREEN of Texas, Mr. GREEN of Wisconsin, Mr. ANDREWS, Ms. BALDWIN, Mr. BARRETT, Ms. BERKLEY, Mr. GUTKNECHT, Mr. HALL of Ohio, Mr. HINCHEY, Mr. HOLT, Mr. HOYER, Mr. INSLEE, Mr. KANJORSKI, Mr. KENNEDY of Rhode Island, Ms. KILPATRICK, Mr. KING, Mr. KLECZKA, Mr. LAFALCE, Mr. LAHOOD, Mr. LANTOS, Mr. LEWIS of Georgia, Mr. LOBIONDO, Ms. LOFGREN, Mrs. LOWEY, Mr. LUTHER, Mrs. MALONEY of New York, Mr. MARKEY, Mr. MATSUI, Mrs. MCCARTHY of New York, Ms. MCCARTHY of Missouri, Ms. MCCOLLUM, Mr. MCGOVERN, Mr. MCHUGH, Ms. MCKINNEY, Mr. MCNULTY, Mrs. MEEK of Florida, Mr. MENENDEZ, Mr. GEORGE MILLER of California, Mrs. MINK of Hawaii, Mr. MOORE, Mr. MORAN of Virginia, Mrs. MORELLA, Ms. NORTON, Mr. OBERSTAR, Mr. OLVER, Mr. ORTIZ, Mr. OWENS, Mr. PALLONE, Mr. PASCRELL, Mr. PAYNE, Ms. PELOSI, Mr. POMEROY, Mr. QUINN, Mr. RAHALL, Mr. RAMSTAD, Ms. RIVERS, Mr. RODRIGUEZ, Mrs. ROUKEMA, Mr. SABO, Ms. SANCHEZ, and Mr. SANDERS):

H.R. 1475. A bill to provide collective bargaining rights for public safety officers employed by States or their political subdivisions; to the Committee on Education and the Workforce.

By Mr. KIND:

H.R. 1476. A bill to establish or expand prekindergarten early learning programs; to the Committee on Education and the Workforce.

By Mr. KIND (for himself and Mr. MCGOVERN):

H.R. 1477. A bill to amend the Internal Revenue Code of 1986 to provide a refundable credit to elementary and secondary school teachers for teaching expenses; to the Committee on Ways and Means.

By Mr. KLECZKA:

H.R. 1478. A bill to protect the privacy of the individuals with respect to the Social Security number and other personal information, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KNOLLENBERG (for himself, Mr. BARR of Georgia, Mr. BURR of North Carolina, Mr. BARTLETT of Maryland, Mr. CAMP, Mr. DUNCAN, Mr. EHRLICH, Mr. FOLEY, Mr. FRELINGHUYSEN, Mr. FROST, Mr. GOODLATTE, Ms. GRANGER, Mr. GRAVES, Mr. GUTKNECHT, Mr. ISTOOK, Mr. JOHN, Mr. SAM JOHNSON of Texas, Mr. JONES of North Carolina, Mr. LAHOOD, Mr. MCHUGH, Mr. MILLER of Florida, Mrs. MYRICK, Mr. NETHERCUTT, Mr. PAUL, Mr. PITTS, Mr. ROHRABACHER, Mr. SHIMKUS, Mr. SIMPSON, Mr. SKEEN, Mr. SOUDER, Mr. STUMP, Mr. TAYLOR of North Carolina, Mr. THORNBERRY, Mr. UPTON, and Mr. YOUNG of Alaska):

H.R. 1479. A bill to amend the Energy Policy and Conservation Act to eliminate certain regulation of plumbing supplies; to the Committee on Energy and Commerce.

By Mr. LAFALCE (for himself, Mr. KANJORSKI, Mr. FRANK, Ms. WATERS, Mr. TOWNS, Mr. DINGELL, and Mr. MARKEY):

H.R. 1480: A bill to amend the Securities and Exchange Act of 1934 to reduce fees on securities transactions; to the Committee on Financial Services.

By Mr. LAFALCE (for himself and Mr. FRANK):

H.R. 1481. A bill to prevent the premature shutdown of certain FHA mortgage insurance programs; to the Committee on Financial Services.

By Mr. LANGEVIN (for himself, Ms. MCKINNEY, Mr. FRANK, Mr. MCGOVERN, Mr. BALDACCI, Mr. HONDA, Mr. LEWIS of Georgia, and Mrs. MEEK of Florida): A bill to establish a grant program administered by the Federal Elections Commission for the purpose of assisting States to upgrade voting systems to use more advanced and accurate voting devices and to enhance participation by military personnel in national elections; to the Committee on House Administration, and in addition to the Committee on Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LEVIN (for himself, Mr. SHAW, Mrs. JOHNSON of Connecticut, Mr. KILDEE, Ms. WATERS, Mr. MCHUGH, Mr. CAMP, Ms. LEE, Mr. FROST, Mr. UDALL of Colorado, Mr. KUCINICH, Mr. RYAN of Wisconsin, Mr. MCGOVERN, Mr. BARCIA, Mr. FILNER, Mr. MORAN of Virginia, Mr. MOAKLEY Mr. FOLEY, Mr. DOYLE, Ms. PRYCE of Ohio, Mr. HOUGHTON, Mr. EVANS, Mrs. THURMAN, Mr. WAXMAN, Mr. ETHERIDGE, Mr. WALSH, Mr. SAWYER, Mr. SIMMONS, Mr. BEREUTER, Mr. JEFFERSON, Ms. KILPATRICK, Mr. HORN, Ms. RIVERS, Mr. COYNE, Mr. BALDACCI, Ms. BALDWIN, Mr. FARR of California, Mr. ENGLISH, Mr. MATSUI, Mr. DINGELL, and Mr. TIERNEY):

H.R. 1483. A bill to amend the Internal Revenue Code of 1986 to make permanent the exclusion for employer-provided educational assistance programs, and for other purposes; to the Committee on Ways and Means.

By Mr. LEVIN (for himself, Mr. RANGEL, Mr. GEPHARDT, Mr. BONIOR, Mr. MATSUI, Mr. NEAL of Massachusetts, Mr. JEFFERSON, Mr. BECERRA, Mr. DOGGETT, Mr. TANNER, Mr. MORAN of Virginia, Ms. CARSON of Indiana, Mrs. TAUSCHER, Mr. MEEKS of New York, Mr. LANTOS, Mr. FRANK, Mr. HINCHEY, Mr. BERMAN, Mr. POMEROY, Mr. MCNULTY, Mr. MCDERMOTT, Mr. LEWIS of Georgia, and Mr. CARDIN):

H.R. 1484. A bill to implement the agreement establishing a United States-Jordan

free trade area; to the Committee on Ways and Means, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LOBIONDO:

H.R. 1485. A bill to require that health plans provide coverage for a minimum hospital stay for mastectomies and lymph node dissection for the treatment of breast cancer and coverage for secondary consultations; to the Committee on Energy and Commerce, and in addition to the Committees on Education and the Workforce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. LOFGREN (for herself, Mr. HONDA, and Mr. PRICE of North Carolina):

H.R. 1486. A bill to amend the Internal Revenue Code of 1986 to encourage qualified conservation contributions by allowing an estate tax deduction for such contributions made by the heirs of the estate; to the Committee on Ways and Means.

By Ms. LOFGREN (for herself, Mrs. TAUSCHER, Ms. SANCHEZ, Mr. FARR of California, Ms. WOOLSEY, Mr. JEFFERSON, Mr. MATSUI, Ms. ESHOO, Mr. HONDA, Ms. HARMAN, Mr. BAIRD, Ms. PELOSI, Mr. SHERMAN, and Mr. MORAN of Virginia):

H.R. 1487. A bill to amend the Internal Revenue Code of 1986 to repeal the alternative minimum tax treatment of incentive stock options, thereby changing the taxable event from the exercise of the stock option to the sale of stock; to the Committee on Ways and Means.

By Mr. MARKEY (for himself, Mrs. MORELLA, Mr. TIERNEY, Mrs. MALONEY of New York, Mr. FRANK, Mr. DEFAZIO, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. MCKINNEY, Mr. LANTOS, and Ms. CARSON of Indiana):

H.R. 1488. A bill to restore the jurisdiction of the Consumer Product Safety Commission over amusement park rides which are at a fixed site, and for other purposes; to the Committee on Energy and Commerce.

By Mr. MARKEY (for himself, Mrs. MORELLA, Mr. BRADY of Pennsylvania, Mrs. MALONEY of New York, Mr. GEORGE MILLER of California, Mr. OWENS, Mr. MCGOVERN, Mr. SANDERS, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. BROWN of Ohio, Mr. CUMMINGS, Ms. CARSON of Indiana, Mrs. JONES of Ohio, Mrs. MINK of Hawaii, Mrs. CHRISTENSEN, Mr. RUSH, Ms. WOOLSEY, Ms. MCKINNEY, Mr. LEWIS of Georgia, Mr. GREEN of Texas, Mr. NADLER, Ms. BALDWIN, Mr. CROWLEY, Mr. TOWNS, and Mr. SANDLIN):

H.R. 1489. A bill to amend certain Federal civil rights statutes to prevent the involuntary application of arbitration to claims that arise from unlawful employment discrimination based on race, color, religion, sex, national origin, age, or disability, and for other purposes; to the Committee on Education and the Workforce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committees concerned.

By Mr. MARKEY (for himself, Mr. SMITH of New Jersey, Mr. KING, Mr. MCDERMOTT, Mr. HOLT, Mr. MATSUI, Mr. WAXMAN, Mr. BALDACCI, Mr. MEEHAN, Mr. HILLIARD, Mr. RILEY, Ms. SLAUGHTER, Mrs. MINK of Hawaii, Mr. KUCINICH, Mr. GUTIERREZ, Mr. BONIOR, Mr. SANDLIN, Ms. SCHAKOWSKY, Mr. DELAHUNT, Mr. GORDON, Mr. INSLEE, Mr. REYES, Mr. ANDREWS, and Mr. DEFAZIO):

H.R. 1490. A bill to amend title XVIII of the Social Security Act to clarify the definition of homebound with respect to home health services under the Medicare Program; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KNOLLENBERG:

H.J. Res. 43. Joint resolution expressing Congressional disapproval of a rule issued by the Department of Energy with respect to residential central air conditioners and heat pumps; to the Committee on Energy and Commerce.

H.J. Res. 44. Joint resolution expressing Congressional disapproval of a rule issued by the Department of Energy with respect to clothes washers; to the Committee on Energy and Commerce.

By Mr. ANDREWS (for himself, Mr. BILIRAKIS, Mr. MCGOVERN, Mrs. MORELLA, Ms. LEE, Mr. CAPUANO, Mr. BLAGOJEVICH, Mrs. MALONEY of New York, Mr. MCNULTY, Mr. ACKERMAN, and Mr. KNOLLENBERG):

H. Con. Res. 97. Concurrent resolution expressing the sense of the Congress regarding Turkey's claims of sovereignty over islands and islets in the Aegean Sea; to the Committee on International Relations.

By Ms. BERKLEY (for herself, Mrs. NAPOLITANO, Mr. STARK, Mr. ACKERMAN, Mr. HINCHEY, Ms. CARSON of Indiana, and Mr. HINOJOSA):

H. Con. Res. 98. Concurrent resolution expressing the sense of the Congress in support of National Children's Memorial Flag Day; to the Committee on Education and the Workforce.

By Mr. CONYERS (for himself, Ms. SCHAKOWSKY, Mr. TIERNEY, Ms. LEE, Mrs. CHRISTENSEN, Mr. BONIOR, Mr. KUCINICH, Mr. HILLIARD, Mr. HINCHEY, Mr. NADLER, Mr. PAYNE, Mr. FATTAH, Mr. DEFAZIO, Mr. LEWIS of Georgia, Ms. BALDWIN, Mrs. JONES of Ohio, Mr. FRANK, Mr. WAXMAN, Ms. MCKINNEY, Mr. LANGEVIN, Mr. GEORGE MILLER of California, Mr. HASTINGS of Florida, Mrs. MINK of Hawaii, Mr. OLVER, Mr. THOMPSON of Mississippi, Mr. STARK, Ms. CARSON of Indiana, and Mr. CAPUANO):

H. Con. Res. 99. Concurrent resolution directing Congress to enact legislation by October 2004 that provides access to comprehensive health care for all Americans; to the Committee on Energy and Commerce.

By Mr. DUNCAN:

H. Con. Res. 100. Concurrent resolution commending Clear Channel Communications and the American Football Coaches Association for their dedication and efforts for protecting children by providing a vital means for locating the Nation's missing, kidnapped, and runaway children; to the Committee on Education and the Workforce.

By Mr. ENGEL (for himself, Mr. ACKERMAN, Mr. LANTOS, Mr. WEINER, Mr. SHERMAN, Mr. ROHRABACHER, Mr. SMITH of New Jersey, Mr. KING, Mr. WICKER, and Mr. SAXTON):

H. Con. Res. 101. Concurrent resolution expressing the sense of Congress that the International Committee of the Red Cross should immediately recognize the Megen David Adom Society, and for other purposes; to the Committee on International Relations.

By Mr. LEACH (for himself and Mr. PAYNE):

H. Con. Res. 102. Concurrent resolution relating to efforts to reduce hunger in sub-Saharan Africa; to the Committee on International Relations.

By Mrs. MALONEY of New York:

H. Con. Res. 103. Concurrent resolution honoring The American Society for the Prevention of Cruelty to Animals for its 135 years of service to the people of the United States and their animals; to the Committee on Agriculture.

By Mr. SHOWS (for himself, Mr. SMITH of New Jersey, Mr. EVANS, Mr. ANDREWS, Mr. BACA, Mr. BACHUS, Mr. BALDACCI, Ms. BALDWIN, Mr. BARCIA, Mr. BARR of Georgia, Mr. BARTLETT of Maryland, Mr. BERMAN, Mr. BILIRAKIS, Mr. BOEHLERT, Ms. BROWN of Florida, Mr. BROWN of South Carolina, Mr. BROWN of Ohio, Mr. BUYER, Mr. CLEMENT, Mr. CONDIT, Mr. COSTELLO, Mr. CUMMINGS, Mr. DAVIS of Florida, Mrs. DAVIS of California, Mr. DINGELL, Mrs. EMERSON, Mr. FILNER, Mr. FOLEY, Mr. FOSSELLA, Mr. FROST, Mr. GIBBONS, Mr. GILCHREST, Mr. GRAVES, Mr. GREEN of Texas, Mr. GRUCCI, Mr. HALL of Texas, Ms. HART, Mr. HASTINGS of Florida, Mr. HAYWORTH, Mr. HILL, Mr. HINCHEY, Mr. HOLDEN, Mr. HUTCHINSON, Mrs. JONES of Ohio, Mr. JONES of North Carolina, Mrs. KELLY, Mr. KENNEDY of Rhode Island, Mr. KING, Mr. KIRK, Mr. KUCINICH, Mr. LAHOOD, Mr. LAMPSON, Mr. LANGEVIN, Mr. MALONEY of Connecticut, Mr. MCINTYRE, Ms. MCKINNEY, Mr. MCNULTY, Mr. MOORE, Mrs. NORTHUP, Mr. OSE, Mr. PALLONE, Mr. QUINN, Mr. REYES, Mr. RODRIGUEZ, Mr. ROHRABACHER, Ms. ROS-LEHTINEN, Mr. SAXTON, Mr. SIMMONS, Mr. SNYDER, Mr. SPENCE, Mr. STUPAK, Mr. TIERNEY, Mr. TURNER, and Mr. UDALL of New Mexico):

H. Con. Res. 104. Concurrent resolution expressing the sense of Congress that a commemorative postage stamp should be issued by the United States Postal Service honoring the members of the Armed Forces who have been awarded the Purple Heart; to the Committee on Government Reform.

By Mr. CALVERT (for himself, Mr. BOSWELL, Mr. BAIRD, Mr. CANNON, Mr. HERGER, Ms. HOOLEY of Oregon, Mr. MATSUI, Mr. LARSEN of Washington, Mr. WAMP, Mr. RADANOVICH, Mr. SMITH of Washington, Mr. NETHERCUTT, Mr. BERRY, Mr. DICKS, Mr. BACA, Mr. HUTCHINSON, Mr. MORAN of Kansas, Mr. BEREUTER, Mrs. TAUSCHER, Mr. LATHAM, Mr. MATHESON, Mr. CONDIT, Mrs. NORTHUP, Mr. OSE, Mr. EVANS, Mr. ROSS, Mr. WATTS of Oklahoma, Mr. SCHAFFER, Mr. SANDLIN, Mr. HILLEARY, Ms. BERKLEY, Mr. GILMAN, Mr. OSBORNE, Ms. DUNN, Mr. SESSIONS, Mr. INSLEE, Mrs. BONO, Mr. MCINNIS, Ms. SANCHEZ, Mr. MCDERMOTT, Mr. PETERSON of Pennsylvania, Mr. TIAHRT, Mr. SHOWS, Mr. LUCAS of Oklahoma, Ms. MCCARTHY of Missouri, Mr. UDALL of New Mexico, Mr. REYES, Mrs. EMERSON, Mr. GRAVES, Mr. HULSHOF, Mr. LEACH, Mr. GOODLATTE, Mr. THOMAS, Mr. HORN, Mr. POMBO, Mr. MCGOVERN, and Mr. SMITH of New Jersey):

H. Res. 114. Resolution recognizing the bravery, dedication, and commitment of Federal, State, county, city, and other law enforcement officers for their daily efforts in battling the use and production of methamphetamine; to the Committee on the Judiciary.

By Mr. GREEN of Texas (for himself, Mr. SANDERS, Mr. DICKS, Mr. BURTON of Indiana, Mr. BACHUS, Mr. HINCHEY, Mr. CLYBURN, Mr. DAVIS of Florida,

Mr. WAMP, Mr. LAHOOD, Mr. PRICE of North Carolina, Mr. BLUMENAUER, Mr. HOLT, Mr. DOYLE, Mr. GORDON, Mr. MORAN of Virginia, Mr. WATKINS, Mr. WICKER, Mr. FRANK, Mr. KINGSTON, Ms. HOOLEY of Oregon, Mr. BOUCHER, Mr. LUTHER, Mr. EHLERS, Mr. CASTLE, Mr. SERRANO, Mr. BALDACCI, Ms. MCCOLLUM, Mr. UPTON, Mr. COYNE, Mr. MCINTYRE, Mr. CLEMENT, Mr. SNYDER, Mr. GREENWOOD, Mr. GONZALEZ, Ms. CARSON of Indiana, Mr. BRADY of Pennsylvania, Mr. DEUTSCH, Mr. CRAMER, Mr. BLAGOJEVICH, and Ms. SLAUGHTER):

H. Res. 115. Resolution expressing the sense of the House of Representatives concerning health promotion and disease prevention; to the Committee on Energy and Commerce.

By Mr. HEFLEY (for himself, Ms. BALDWIN, Mr. BARR of Georgia, Mr. BARTLETT of Maryland, Mr. BERMAN, Mr. BONIOR, Mr. BORSKI, Mr. BROWN of Ohio, Mr. CASTLE, Mr. CLEMENT, Mr. COOKSEY, Mr. COSTELLO, Mr. CRAMER, Mr. EHRLICH, Mr. FERGUSON, Mr. FILNER, Mr. FRANK, Mr. FROST, Mr. GILMAN, Mr. GONZALEZ, Mr. HOLDEN, Mr. HORN, Mr. HYDE, Mr. INSLEE, Mr. ISSA, Mrs. JONES of Ohio, Mr. KENNEDY of Rhode Island, Ms. KILPATRICK, Mr. KING, Mr. KNOLLENBERG, Mr. KUCINICH, Mr. LANGEVIN, Mr. LANTOS, Ms. LOFGREN, Mr. MCGOVERN, Mr. MCHUGH, Mr. MCINNIS, Ms. MCKINNEY, Mr. MCNULTY, Mr. MOORE, Mr. NETHERCUTT, Mr. PASCRELL, Mr. PASTOR, Mr. RODRIGUEZ, Mr. ROYCE, Mr. SAXTON, Mr. SESSIONS, Mr. SIMMONS, Mr. SOUDER, Mr. STUPAK, Mr. SUNUNU, Mr. UDALL of Colorado, Mr. UDALL of New Mexico, Mr. WALSH, Mr. WOLF, and Mr. WYNN):

H. Res. 116. Resolution commemorating the dedication and sacrifices of the men and women of the United States who were killed or disabled while serving as law enforcement officers; to the Committee on Government Reform.

By Ms. LEE (for herself, Mr. WAXMAN, Ms. JACKSON-LEE of Texas, Mr. SANDERS, Mr. HASTINGS of Florida, Mr. WEXLER, Mr. FRANK, Ms. RIVERS, Ms. DELAURO, Mr. OLVER, Mr. NADLER, Mr. BALDACCI, Mr. SMITH of Washington, Mr. ALLEN, Mr. FILNER, Ms. NORTON, Mr. GEORGE MILLER of California, Mr. HINCHEY, Mr. PAYNE, Mr. LEWIS of Georgia, Ms. CARSON of Indiana, Ms. MCKINNEY, Ms. MCCOLLUM, Mr. DAVIS of Illinois, Mrs. MINK of Hawaii, Mr. HONDA, Mr. KUCINICH, Mr. RUSH, Ms. WOOLSEY, Mr. BERMAN, Ms. SCHAKOWSKY, Mr. UDALL of Colorado, Ms. BALDWIN, Ms. PELOSI, Mr. OWENS, Mr. STARK, Ms. SOLIS, Mr. PALLONE, Mr. FARR of California, Mr. MCGOVERN, Ms. ESHOO, and Mrs. THURMAN):

H. Res. 117. Resolution expressing the sense of Congress that the United States should develop, promote, and implement policies to reduce emissions of fossil fuel generated carbon dioxide with the goal of achieving stabilization of greenhouse gas emissions in the United States at the 1990 level by the year 2010; to the Committee on Energy and Commerce.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

15. The SPEAKER presented a memorial of the Legislature of the State of Kansas, relative to Resolution No. 1607 memorializing the United States Congress to encourage the development of a federal energy policy that considers all possible future sources of energy; to the Committee on Energy and Commerce.

16. Also, a memorial of the General Assembly of the Commonwealth of Virginia, relative to Resolution No. 651 memorializing the United States Congress to express its commitment to the principles represented by the Electoral College, for its embodiment of the well-balanced framework of this nation's state and federal governments, and for its role in assuring the preservation of the liberty enjoyed by all citizens; to the Committee on House Administration.

17. Also, a memorial of the General Assembly of the Commonwealth of Virginia, relative to Resolution No. 39 memorializing the United States Congress to support the Railroad Retirement and Survivors' Improvement Act in the 107th Congress; to the Committee on House Administration.

18. Also, a memorial of the Legislature of the State of Wyoming, relative to Resolution No. 4 memorializing the United States Congress to establish a Northern Rocky Mountain Grizzly Bear and Gray Wolf Management Trust to find management of these wildlife populations; to the Committee on Resources.

19. Also, a memorial of the General Assembly of the State of North Dakota, relative to Resolution No. 3031 memorializing the United States Congress to prepare and submit an amendment to the Constitution of the United States to add a new article providing as follows: ''Neither the Supreme Court nor any inferior court of the United States shall have the power to instuct or order a state or political subdivision thereof, or an official of such a state or political subdivision, to levy or increase taxes''; to the Committee on the Judiciary.

20. Also, a memorial of the House of Representatives of the State of Michigan, relative to Resolution No. 24 memorializing the United States Congress to enact legislation that offers a regional solution to the problems of nonindigenous species being released in the ballast water of ships on the Great Lakes; to the Committee on Transportation and Infrastructure.

21. Also, a memorial of the Senate of the Commonwealth of Massachusetts, relative to a Resolution memorializing the United States Congress to enact legislation to provide parity of benefits to all retired career military personnel; jointly to the Committees on Armed Services and Veterans' Affairs.

22. Also, a memorial of the House of Representatives of the State of Kansas, relative to Resolution No. 5011 memorializing the United States Congress to address, for rectification, the aforementioned concerns regarding the health care coverage of our retired military veterans and their immediate families; jointly to the Committees on Veterans' Affairs and Armed Services.

23. Also, a memorial of the Legislature of the State of Kansas, relative to Resolution No. 5011 memorializing the United States Congress to address, for rectification, the aforementioned concerns regarding the health care coverage of our retired military veterans and their immediate families; jointly to the Committees on Veterans' Affairs and Armed Services.

ADDITIONAL SPONSORS

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

H.R. 1: Ms. GRANGER, Mr. FRELINGHUYSEN, Mr. MICA, and Mr. TIAHRT.

H.R. 10: Mr. WICKER.

H.R. 15: Mr. FLAKE, Mr. SHAYS, Mr. CANTOR, and Mrs. EMERSON.

H.R. 21: Mr. WATT of North Carolina.

H.R. 25: Mr. SANDERS and Mr. CROWLEY.

H.R. 31: Mr. BOUCHER and Mr. ADERHOLT.

H.R. 39: Mr. JOHN, Mr. BISHOP, Mr. STENHOLM, and Mr. BACA.

H.R. 40: Mr. CUMMINGS.

H.R. 41: Mr. PAUL, Mr. BLUMENAUER, and Mr. SCHAFFER.

H.R. 42: Mr. EDWARDS.

H.R. 46: Mrs. MEEK of Florida.

H.R. 96: Ms. HART.

H.R. 97: Mr. LATOURETTE, Mr. KILDEE, and Mr. ACKERMAN.

H.R. 99: Mr. STUMP.

H.R. 100: Mr. CRAMER and Mr. CALVERT.

H.R. 101: Mr. CRAMER and Mr. CALVERT.

H.R. 102: Mr. CRAMER and Mr. CALVERT.

H.R. 123: Mrs. EMERSON.

H.R. 134: Mr. RYAN of Wisconsin.

H.R. 144: Mr. KLECZKA.

H.R. 150: Mr. SHIMKUS and Mr. HYDE.

H.R. 168: Mr. OTTER.

H.R. 179: Mr. AKIN.

H.R. 228: Mr. BONIOR, Mr. LUTHER, Mr. PRICE of North Carolina, Ms. SLAUGHTER, and Mr. SPRATT.

H.R. 230: Mrs. THURMAN.

H.R. 236: Mr. LARGENT, Mr. HOBSON, Mr. WALDEN of Oregon, and Mr. TIAHRT.

H.R. 239: Mr. TOWNS, Ms. ROS-LEHTINEN, AND MR. WAXMAN.

H.R. 245: Mr. KILDEE, Mrs. THURMAN, and Mr. LAMPSON.

H.R. 280: Mr. WELDON of Pennsylvania and Mr. GIBBONS.

H.R. 281: Mr. HILLIARD and Mr. GRUCCI.

H.R. 285: Mr. SANDLIN.

H.R. 287: Mrs. LOWEY.

H.R. 298: Mr. KUCINICH.

H.R. 303: Ms. SANCHEZ, Mr. RUSH, Mr. BARR of Georgia, Mr. GILCHREST, and Mr. FALEOMAVAEGA.

H.R. 317: Mr. CRANE.

H.R. 322: Mr. PUTNAM and Mr. EHRLICH.

H.R. 323: Mr. GREEN of Texas and Mr. BARRETT.

H.R. 324: Mr. MCHUGH and Mr. SMITH of New Jersey.

H.R. 330: Mr. REHBERG.

H.R. 340: Mr. LANGEVIN.

H.R. 357: Mr. FRANK and Ms. MCCOLLUM.

H.R. 371: Mr. THOMPSON of Mississippi.

H.R. 379: Mr. BEREUTER and Mr. KELLER.

H.R. 415: Mr. HONDA.

H.R. 425: Ms. SCHAKOWSKY and Mr. RAMSTAD.

H.R. 435: Ms. SANCHEZ.

H.R. 436: Mr. HOUGHTON, Mr. UDALL of Colorado, Mr. BLUMENAUER, Mrs. ROUKEMA, Mr. CAMP, and Mr. RUSH.

H.R. 437: Mr. EHRLICH and Mr. COLLINS.

H.R. 439: Mr. FOLEY.

H.R. 440: Mr. STEARNS, Mr. RAHALL, Mr. COYNE, Mr. FOLEY, Mrs. MINK of Hawaii, and Mr. FRANK.

H.R. 442: Mr. FOLEY.

H.R. 457: Mr. LANGEVIN.

H.R. 459: Mr. ROTHMAN.

H.R. 460: Mr. HINCHEY and Ms. KAPTUR.

H.R. 478: Mr. CARSON of Oklahoma and Mrs. THURMAN.

H.R. 481: Ms. SANCHEZ.

H.R. 488: Mrs. NAPOLITANO.

H.R. 499: Mr. RANGEL.

H.R. 503: Mr. PENCE.

H.R. 507: Mr. RAHALL and Mr. DOOLITTLE.

H.R. 510: Mr. MOORE, Mr. PETERSON of Pennsylvania, and Mr. SANDLIN.

H.R. 516: Mr. REHBERG, Mr. BAIRD, and Mr. NUSSLE.

H.R. 525: Mrs. THURMAN.

H.R. 526: Mr. SCHIFF and Mr. DICKS.

H.R. 536: Mr. SMITH of New Jersey, Mr. HONDA, Mr. SANDLIN, Ms. MCKINNEY, and Mr. OBERSTAR.

H.R. 570: Mr. SANDLIN.
H.R. 572: Mr. FRANK, Ms. ROS-LEHTINEN, Mr. STUPAK, and Mr. HOSTETTLER.
H.R. 577: Mrs. THURMAN.
H.R. 582: Mr. RANGEL.
H.R. 600: Mr. BARCIA, Mr. SAWYER, Mr. SCHROCK, Mr. CROWLEY, Mr. BAIRD, Mr. PHELPS, Mr. SHOWS, Mr. LAFALCE, Mr. SMITH of Washington, Mr. OSBORNE, Mr. FERGUSON, Mr. LEWIS of Georgia, Mr. BACHUS, Mr. WAMP, and Mrs. NAPOLITANO.
H.R. 606: Mr. WU, Mr. ENGEL, Mr. KUCINICH, Mr. SIMMONS, and Mr. TOWNS.
H.R. 611: Mr. HOBSON, Mrs. DAVIS of California, Mr. SCHIFF, Mr. COYNE, Mr. HULSHOF, and Mr. BLAGOJEVICH.
H.R. 612: Mr. SCHIFF, Mr. PETERSON of Minnesota, and Mr. JENKINS.
H.R. 620: Mr. RANGEL.
H.R. 622: Mr. GEORGE MILLER of California, Mr. SAXTON, Mr. KILDEE, Ms. VELAZQUEZ, Mr. HILLEARY, Mr. CLYBURN, Mr. ABERCROMBIE, and Mr. DEAL of Georgia.
H.R. 633: Ms. MCKINNEY, Mr. HASTINGS of Florida, Mr. GANSKE, Mrs. LOWEY, Mr. LANGEVIN, and Mr. MORAN of Virginia.
H.R. 634: Mr. GRUCCI, Mr. PICKERING, Mr. PORTMAN, and Mr. REHBERG.
H.R. 647: Mr. TIAHRT, Mr. BOUCHER, Mr. SCHAFFER, and Mr. TOM DAVIS of Virginia.
H.R. 648: Mr. OSBORNE,
H.R. 661: Mrs. THURMAN.
H.R. 668: Mr. SAWYER, Mr. THOMPSON of California, Mr. SIMMONS, Ms. DUNN, Mr. FRELINGHUYSEN, Ms. SLAUGHTER, and Mr. STUPAK.
H.R. 683: Mr. BLUMENAUER.
H.R. 686: Mr. STUPAK.
H.R. 687: Mr. SANDLIN.
H.R. 692: Mr. KIND.
H.R. 698: Ms. SCHAKOWSKY and Ms. MCKINNEY.
H.R. 701: Mr. MCDERMOTT, Mr. WATTS of Oklahoma, Ms. RIVERS, Mrs. BONO, Ms. VELAZQUEZ, Mr. NEY, Mr. PASTOR, Mr. LAHOOD, Mr. GORDON, Mr. SMITH of New Jersey, Mr. HEFLEY, Mr. ACEVEDO-VILA, Mr. KENNEDY of Rhode Island, Mr. SKELTON, Mr. ISAKSON, Mrs. LOWEY, Mr. LUCAS of Kentucky, Mr. SANDERS, Mr. UDALL of New Mexico, Mr. RODRIGUEZ, Mr. SIMMONS, Mr. BRADY of Texas, Ms. CARSON of Indiana, Mr. SCHIFF, Mr. QUINN, Mr. BISHOP, Mr. GOSS, Mr. MCGOVERN, Mr. BORSKI, Mr. GEKAS, Mr. MCINNIS, Mr. BENTSEN, Mr. CAMP, Mr. SAWYER, Mr. FROST, Mr. BONIOR, Mrs. CAPPS, Mr. GREEN of Texas, Mr. MOAKLEY, Mr. RANGEL, Mr. UPTON, and Mr. LEACH.
H.R. 717: Mr. SMITH of Texas, Mr. LUCAS of Oklahoma, Mr. ADERHOLT, Mr. PLATTS, Mr. GIBBONS, Mr. SERRANO, Mr. EVERETT, Mr. COLLINS, Mr. GILCHREST, Mrs. CUBIN, Mr. CAMP, Mr. BASS, Mr. BALLENGER, Mr. CANTOR, Mr. BRADY of Texas, Mr. CULBERSON, Mr. KIND, Ms. SANCHEZ, Mr. RAMSTAD, Mr. WAXMAN, Mr. LUTHER, Ms. MCCOLLUM, and Mr. SUNUNU.
H.R. 721: Ms. VELAZQUEZ, Mr. TRAFICANT, Mr. SANDLIN, Mr. ROTHMAN, Mr. LEACH, Mr. CLEMENT, Mr. DOYLE, Mr. GILMAN, Mr. RUSH, Mr. LAMPSON, Mr. ACEVEDO-VILA, Mr. BRADY of Pennsylvania, and Mr. LEWIS of Georgia.
H.R. 730: Mr. STUPAK.
H.R. 737: Mr. RYAN of Wisconsin and Ms. BALDWIN.
H.R. 742: Ms. RIVERS and Mr. FARR of California.
H.R. 746: Mr. BROWN of South Carolina, Mr. MCDERMOTT, and Mr. BUYER.
H.R. 747: Ms. SANCHEZ and Ms. SOLIS.
H.R. 752: Mr. GORDON.
H.R. 755: Mr. GREEN of Texas, Mr. BARRETT, Mrs. CAPPS, Mr. MARKEY, and Mr. LUTHER.
H.R. 758: Mr. LANGEVIN.
H.R. 761: Mr. MCNULTY, Mr. ACEVEDO-VILA, and Mr. BALDACCI.
H.R. 762: Ms. SANCHEZ.
H.R. 764: Mr. FOLEY.
H.R. 765: Mr. BERMAN and Mrs. MINK of Hawaii.
H.R. 777: Mr. SHIMKUS.
H.R. 781: Mr. KIND and Mr. HOEFFEL.
H.R. 782: Mr. SMITH of New Jersey and Mr. SHAYS.
H.R. 783: Mr. SCHAFFER.
H.R. 791: Mr. HASTERT, Mr. SHIMKUS, Mr. PHELPS, and Mr. HYDE.
H.R. 792: Mr. SPENCE, Mr. RUSH, and Mr. LEWIS of Georgia.
H.R. 795: Mrs. LOWEY.
H.R. 804: Mrs. THURMAN.
H.R. 808: Mr. DELAHUNT, Mr. GEPHARDT, and Mr. ADERHOLT.
H.R. 817: Ms. BALDWIN.
H.R. 827: Mr. FILNER.
H.R. 830: Mr. TIAHRT, Mr. GRAHAM, Mr. PUTNAM, Mr. PLATTS, Mr. SAXTON, and Mr. RILEY.
H.R. 840: Mr. ISAKSON, Mr. UDALL of Colorado, Mr. KUCINICH, Ms. PELOSI, and Mr. SHAYS.
H.R. 848: Mr. BLUNT, Mr. FOLEY, Mr. OWENS, Ms. ROYBAL-ALLARD, Ms. MCCOLLUM, Ms. VELAZQUEZ, Mr. TRAFICANT, and Mr. KILDEE.
H.R. 850: Mr. BARCIA, Mr. SOUDER, Mr. MCINTYRE, and Mr. GRUCCI.
H.R. 853: Mrs. LOWEY.
H.R. 868: Mr. LANGEVIN, Mr. OSE, Mr. MOAKLEY, Mr. LUCAS of Oklahoma, Mr. BAIRD, Mr. RILEY, Mr. HERGER, Mr. YOUNG of Alaska, and Mr. GRAHAM.
H.R. 869: Mr. OXLEY, Mr. SCHIFF, Mr. DOOLEY of California, and Mrs. BIGGERT.
H.R. 876: Mrs. JOHNSON of Connecticut and Mr. BENTSEN.
H.R. 877: Mr. GILLMOR and Mr. HOBSON.
H.R. 883: Mr. HASTINGS of Washington.
H.R. 902: Mr. GORDON, Mrs. JO ANN DAVIS of Virginia, Ms. ROS-LEHTINEN, and Mr. SMITH of New Jersey.
H.R. 918: Mr. ROGERS of Michigan, Mr. MORAN of Virginia, Mr. DEFAZIO, and Mr. ALLEN.
H.R. 920: Mr. DAVIS of Illinois.
H.R. 933: Ms. EDDIE BERNICE JOHNSON of Texas, Mr. THOMPSON of Mississippi, Mr. SANDLIN, and Mr. LANGEVIN.
H.R. 938: Mr. WYNN, Mr. WAXMAN, and Mrs. MORELLA.
H.R. 951: Mr. GRAHAM.
H.R. 959: Mr. LANTOS, Mr. CALVERT, and Mr. BERMAN.
H.R. 967: Mr. BRADY of Pennsylvania, Mr. TIERNEY, Mr. OBERSTAR, Mr. MCINTYRE, Mrs. LOWEY, Mr. EVANS, Mr. NADLER, Mr. DOYLE, Mr. GUTIERREZ, Ms. SCHAKOWSKY, Mr. SMITH of New Jersey, Mrs. MORELLA, Mr. GILLMOR, and Mr. EHLERS.
H.R. 968: Mr. GILCHREST, Ms. HOOLEY of Oregon, Mr. MASCARA, Mr. ROSS, Ms. MCKINNEY, Mr. PLATTS, Mr. LAHOOD, Mr. CALVERT, Mr. GILLMOR, Mr. RAHALL, Mr. MCINTYRE, Mr. PICKERING, Mrs. JONES of Ohio, and Mrs. THURMAN.
H.R. 971: Mr. BAIRD.
H.R. 975: Mr. CARSON of Oklahoma, Mr. LATHAM, Mr. SHOWS, Mr. NADLER, and Mr. HILLIARD.
H.R. 978: Mr. FROST, Mr. LAHOOD, Mr. GREEN of Wisconsin, Mrs. THURMAN.
H.R. 984: Mr. HULSHOF, Mr. GRAVES, and Mr. PLATTS,
H.R. 985: Ms. KILPATRICK.
H.R. 986: Mr. BLUNT.
H.R. 990: Mr. OLVER
H.R. 993: Mr. SCHAFFER.
H.R. 999: Mr. KUCINICH.
H.R. 1007: Mr. BOEHLERT and Mr. LANGEVIN.
H.R. 1011: Mr. DAVIS of Illinois, Mr. BARCIA, Mr. FILNER, Mr. GORDON, Mr. OSBORNE, Mr. RUSH, and Mr. MCKEON.
H.R. 1016: Mrs. THURMAN.
H.R. 1018: Mr. MILLER of Florida.
H.R. 1020: Mr. DUNCAN, Mr. BISHOP, Mr. YOUNG of Alaska, Mr. HOUGHTON, and Mr. GOODE.
H.R. 1030: Mr. UDALL of Colorado.
H.R. 1035: Mrs. MORELLA, Ms. DELAURO, Mr. HINCHEY, and Ms. HARMAN.
H.R. 1037: Mr. TOOMEY, Mr. FOLEY, Mr. TERRY, and Mrs. CAPITO.
H.R. 1066: Mr. HONDA.
H.R. 1073: Mr. LANGEVIN, Mr. STUPAK, Mr. SCHIFF, and Mrs. THURMAN.
H.R. 1076: Mr. BONIOR, Ms. JACKSON-LEE of Texas, Mrs. LOWEY, Mrs. CLAYTON, Mr. VISCLOSKY, Mr. THOMPSON of California, Mr. EVANS, Ms. PELOSI, Mr. CLEMENT, Mr. WU, Ms. WOOLSEY, Mrs. MEEK of Florida, Ms. SLAUGHTER, Mr. TIERNEY, Mr. BORSKI, Mr. RAHALL, Mr. GONZALEZ, Mr. DOYLE, and Mr. WEINER.
H.R. 1084: Mr. BARRETT and Mrs. THURMAN.
H.R. 1086: Mr. BARRETT.
H.R. 1092: Mr. MCGOVERN, Mr. GREENWOOD, Mr. SHIMKUS, Mr. MCNULTY, Mr. COSTELLO, Mr. GILLMOR, Mr. MOORE, Mr. BALDACCI, Mr. PAUL, Ms. CARSON of Indiana, and Mr. STUPAK.
H.R. 1093: Mr. JOHNSON of Illinois, Mr. GILLMOR, Mr. SHIMKUS, Mr. HINCHEY, and Mr. SOUDER.
H.R. 1094: Mr. JOHNSON of Illinois, Mr. GILLMOR, Mr. SHIMKUS, Mr. HINCHEY, and Mr. SOUDER.
H.R. 1096: Mr. WATKINS, Mrs. MINK of Hawaii, and Mr. SANDLIN.
H.R. 1097: Mr. ANDREWS, Mrs. ROUKEMA, and Mr. HOEFFEL.
H.R. 1101: Mr. FOSSELLA and Mr. COOKSEY.
H.R. 1111: Mrs. MALONEY of New York and Mr. MALONEY of Connecticut.
H.R. 1121: Mr. MCHUGH.
H.R. 1128: Mr. SCHAFFER.
H.R. 1140: Mr. WOLF, Mr. HINCHEY, Mr. SESSIONS, Mr. INSLEE, Mr. CHAMBLISS, Mr. ROSS, Mr. SHERWOOD, Mrs. MALONEY of New York, Mr. NORWOOD, Mr. WU, Ms. DUNN, Mr. OWENS, Mr. CAMP, Mr. KIND, Mr. HYDE, Mr. MOORE, Mr. JONES of North Carolina, Mr. BENTSEN, Mr. JENKINS, Mr. DICKS, Mr. GUTKNECHT, Mr. ABERCROMBIE, Mr. CALLAHAN, Mr. MORAN of Virginia, Mr. SKEEN, Ms. SCHAKOWSKY, Mr. CASTLE, Mr. LAFALCE, Mr. BASS, Mr. SCOTT, Mr. LINDER, Ms. JACKSON-LEE of Texas, Mr. GRAHAM, Mr. PHELPS, Mrs. CUBIN, Mr. TOWNS, Mr. ROGERS of Kentucky, Mr. LEWIS of Georgia, Mr. AKIN, Mr. SABO, Mr. GEKAS, Mr. EDWARDS, Mr. OXLEY, Ms. BALDWIN, Mr. KELLER, Mr. GONZALEZ, Mr. HULSHOF, Mr. JEFFERSON, Mr. GIBBONS, Mr. BAIRD, Mr. ROEMER, Mr. THOMPSON of Mississippi, Mr. GUTIERREZ, Mr. FILNER, Mr. HASTINGS of Florida, Mr. GREEN of Texas, Mr. CONDIT, Mr. LAMPSON, Mr. JOHN, Mr. LANTOS, Mr. BROWN of Ohio, Mr. HOLT, Mr. MOAKLEY, Mr. BRADY of Pennsylvania, Mr. RODRIGUEZ, Mr. DAVIS of Florida, Mr. STARK, Mr. LUCAS of Kentucky, Mr. WATT of North Carolina, Mr. EVANS, Ms. LEE, Mrs. MINK of Hawaii, Mr. BISHOP, Mr. COYNE, Mr. SPRATT, Mr. THOMPSON of California, Mr. GEORGE MILLER of California, Mr. STRICKLAND, Mr. STUPAK, Mr. KENNEDY of Rhode Island, Ms. CARSON of Indiana, Mr. BACA, Mr. HILLIARD, Mr. OLVER, Mr. HILL, Mr. MCDERMOTT, Mr. FRANK, Mr. BERMAN, Ms. SLAUGHTER, Mr. CLYBURN, Mr. LANGEVIN, Mr. KUCINICH, Mr. BECERRA, Mr. MARKEY, Mr. CROWLEY, Mr. WEINER, Mr. SAWYER, Mr. DEUTSCH, Mr. PRICE of North Carolina, Mr. CAPUANO, Mr. FORD, Mr. MCINTYRE, Mr. ROTHMAN, Mr. ENGEL, Mr. PASCRELL, and Mr. ORTIZ.
H.R. 1151: Ms. MCKINNEY, Mr. THOMPSON of Mississippi, Mr. ABERCROMBIE, Mr. WEXLER, and Ms. BALDWIN.
H.R. 1170: Mr. GREEN of Texas.
H.R. 1171: Mr. SKEEN, Mr. ISAKSON, Mr. LEWIS of Kentucky, and Mr. PETERSON of Minnesota.
H.R. 1172: Ms. JACKSON-LEE of Texas, Mr. HALL of Ohio, Ms. SOLIS, Mr. SMITH of Texas, Mr. BAKER, Mr. CRAMER, Mr. COOKSEY, Mr. CAPUANO, and Mr. KINGSTON.

H.R. 1174: Mr. DOOLITTLE.
H.R. 1182: Mr. FROST and Mr. RYAN of Wisconsin.
H.R. 1185: Ms. WATERS.
H.R. 1194: Ms. BALDWIN, Mr. KLECZKA, Ms. WOOLSEY, and Mr. SANDERS.
H.R. 1201: Mr. CARSON of Oklahoma.
H.R. 1202: Mr. MCHUGH, Mr. ABERCROMBIE, Mr. KENNEDY of Rhode Island, Mrs. CAPPS, Mr. LANGEVIN, and Mrs. ROUKEMA.
H.R. 1210: Mr. GONZALEZ.
H.R. 1212: Mr. HYDE.
H.R. 1213: Mr. WOLF, Mr. ROEMER, Mr. CAMP, Mr. BORSKI, Mr. TAYLOR of Mississippi, Mr. HOSTETTLER, Mr. SMITH of Michigan, and Mr. COYNE.
H.R. 1214: Mr. WOLF, Mr. BORSKI, Mr. TAYLOR of Mississippi, and Mr. HOSTETTLER.
H.R. 1220: Mr. SMITH of Texas.
H.R. 1238: Mr. HUTCHINSON and Mr. HAYWORTH.
H.R. 1242: Ms. LOFGREN and Mrs. LOWEY.
H.R. 1252: Mr. HASTINGS of Florida, Mr. NADLER, Mrs. JONES of Ohio, Mr. LEWIS of Georgia, Mr. FILNER, Mrs. DAVIS of California, Ms. MILLENDER-MCDONALD, Mr. LANTOS, Mr. KENNEDY of Rhode Island, Mr. SERRANO, Mr. BALDACCI, Mr. NEAL of Massachusetts, Mr. OLVER, Mr. INSLEE, and Mrs. THURMAN.
H.R. 1254: Mr. NADLER.
H.R. 1255: Mr. NADLER, Mr. CUMMINGS, Ms. ESHOO, Mrs. MINK of Hawaii, and Mrs. THURMAN.
H.R. 1256: Mr. MCGOVERN, Mr. DEFAZIO, Mr. LANGEVIN, Mr. HINCHEY, Mr. CROWLEY, Ms. ROYBAL-ALLARD, Mr. SERRANO, Mr. WEINER, Mr. BECERRA, Ms. DELAURO, and Mr. DAVIS of Florida.
H.R. 1275: Ms. WOOLSEY, Mr. BONIOR, Mr. MARKEY, Mr. SIMPSON, Mr. ABERCROMBIE, Mr. BALDACCI, Mr. DOOLEY of California, Ms. DEGETTE, Ms. SLAUGHTER, Mr. RAMSTAD, and Ms. BERKLEY.
H.R. 1280: Mr. STUPAK.
H.R. 1291: Mr. WELDON of Pennsylvania and Mr. DOYLE.
H.R. 1293: Mr. BUYER, Mrs. KELLY, Mr. FOLEY, and Mr. BALDACCI.
H.R. 1296: Mr. ROYCE, Mr. PITTS, Mr. COOKSEY, Mr. GANSKE, Mr. LATOURETTE, Ms. HART, Mr. CUMMINGS, Mr. CONYERS, Mr. GILLMOR, Mr. POMEROY, Mr. TOOMEY, Mrs. WILSON, Mr. BURR of North Carolina, Mr. HORN, Mr. BLUNT, Mr. JONES of North Carolina, Mr. SUNUNU, and Mr. EHRLICH.
H.R. 1299: Mr. GRAHAM.
H.R. 1301: Mr. PORTMAN.
H.R. 1304: Ms. HART, Mr. DAVIS of Illinois, and Mr. CLEMENT.
H.R. 1305: Mr. ABERCROMBIE, Mr. BACHUS, Mr. CANTOR, Mr. CRANE, Mrs. EMERSON, Mr. GREEN of Wisconsin, Mr. ISSA, Mr. PLATTS, Mr. TAUZIN, Mr. RODRIGUEZ, and Mr. TIAHRT.
H.R. 1316: Mr. HINCHEY, Ms. DEGETTE, and Mr. PETRI.
H.R. 1331: Ms. MCKINNEY, Mr. DEMINT, and Mr. SCHAFFER.
H.R. 1340: Ms. CARSON of Indiana.
H.R. 1343: Mr. STUPAK and Mr. FATTAH.
H.R. 1348: Mr. RAMSTAD.
H.R. 1350: Mr. ENGEL, Mr. GUTIERREZ, Mr. HILLIARD, Mr. KIND, Ms. PELOSI, and Ms. SLAUGHTER.
H.R. 1351: Mr. REYES, Mrs. KELLY, Mr. HOBSON, Mr. STUPAK, and Mr. JENKINS.
H.R. 1354: Mr. WALSH.
H.R. 1357: Mrs. THURMAN.
H.R. 1365: Mr. BERMAN.
H.R. 1371: Mr. CARDIN.
H.R. 1375: Mr. SANDLIN.
H.R. 1377: Mr. SCHROCK, Mr. HAYES, and Mr. GRAHAM.
H.J. Res. 13: Mr. GUTIERREZ and Mr. DAVIS of Illinois.
H.J. Res. 36: Mr. POMEROY.
H.J. Res. 41: Mr. TIAHRT, Mr. CHABOT, Mr. KELLER, Mr. ISSA, and Mr. FLAKE.
H.J. Res. 42: Mr. PASCRELL, Mr. DAVIS of Illinois, Mrs. LOWEY, Mr. GRUCCI, and Ms. LOFGREN.
H. Con. Res. 3: Ms. MCKINNEY, Ms. LEE, Mr. SERRANO, Ms. ROYBAL-ALLARD, and Mr. BACA.
H. Con. Res. 9: Mr. MCDERMOTT.
H. Con. Res. 12: Ms. BALDWIN.
H. Con. Res. 25: Mr. HILL.
H. Con. Res. 45: Mr. TIAHRT, Mr. TERRY, Mr. SIMMONS, Mr. OXLEY, Mr. SOUDER, and Mr. PRICE of North Carolina.
H. Con. Res. 52: Mr. BROWN of Ohio and Mr. FRANK.
H. Con. Res. 60: Mr. WEXLER.
H. Con. Res. 63: Mr. LUTHER, Mr. WEXLER, and Ms. BALDWIN.
H. Con. Res. 67: Mr. HINCHEY and Mr. SOUDER.
H. Con. Res. 68: Ms. KAPTUR, Mr. HAYWORTH and Mr. ROHRABACHER.
H. Con. Res. 91: Mr. ROTHMAN.
H. Con. Res. 94: Mr. GONZALEZ, Mrs. NAPOLITANO, Ms. SANCHEZ, Mr. WATT of North Carolina, and Mr. REYES.
H. Res. 17: Mr. BROWN of Ohio and Mr. HOLT.
H. Res. 18: Mr. FROST, Mr. DELAHUNT, Mr. SMITH of Washington, Mrs. MINK of Hawaii, and Mr. HILLIARD.
H. Res. 72: Mrs. MALONEY of New York and Mr. COYNE.
H. Res. 87: Ms. WOOLSEY, Mr. WALDEN of Oregon, Mrs. CLAYTON, Mr. PRICE of North Carolina, Mr. BLUMENAUER, and Mr. RUSH.
H. Res. 97: Ms. MCCARTHY of Missouri, Mr. CLAY, Mr. GUTIERREZ, Ms. SLAUGHTER, Mr. HONDA, and Mr. JACKSON of Illinois.
H. Res. 106: Mr. HOYER, Mr. LANGEVIN, and Mr. CROWLEY.
H. Res. 112: Ms. KAPTUR, Mr. HILLIARD, Mr. TERRY, and Ms. CARSON of Indiana.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

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

H.R. 877: Mr. WAMP.
H.R. 1076: Mr. PAUL.
H.R. 1187: Mr. SANDERS.

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 107th CONGRESS, FIRST SESSION

Vol. 147 WASHINGTON, WEDNESDAY, APRIL 4, 2001 No. 48

Senate

The Senate met at 9 a.m. and was called to order by the Honorable GEORGE ALLEN, a Senator from the state of Virginia.

PRAYER

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

Almighty God, Sovereign of our Nation and Lord of our lives, we don't know all that the future holds, but we do know You hold the future.

We press on with courage and confidence. Here are our minds: Think Your thoughts through them. Here are our imaginations; show us Your purpose and plan. Here are our wills; guide us to do Your will. What You give us the vision to conceive and the daring to believe, You will give us the power to achieve. So go before us to show us Your way, behind us to press us forward toward Your goals, beside us to give us Your resiliency, above us to watch over us; and within us to give us Your supernatural gifts of great leadership—wisdom, discernment, knowledge, and vision. In Your all powerful name. Amen.

PLEDGE OF ALLEGIANCE

The Honorable GEORGE ALLEN led the Pledge of Allegiance, as follows:

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

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, April 4, 2001.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable GEORGE ALLEN, a Senator from the state of Virginia, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. ALLEN thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized.

SCHEDULE

Mr. SPECTER. Mr. President, I have been asked on behalf of the distinguished majority leader to announce that today the Senate will immediately resume consideration of the budget resolution with the time between now and 10:30 a.m. equally divided for debate on the Grassley and Johnson amendments regarding agriculture. At 10:30 a.m. there will be two back-to-back votes on these amendments. Senator HARKIN will be recognized to offer the next amendment on education.

Further amendments will be offered with votes to occur throughout the day.

Senators will be notified as votes are scheduled. I thank my colleagues for their attention.

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEARS 2001–2011

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of H. Con. Res. 83, which the clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

Pending:

Domenici amendment No. 170, in the nature of a substitute.

Grassley amendment No. 174 (to amendment No. 170), to provide for additional agriculture assistance.

Conrad (for Johnson) amendment No. 176 (to amendment No. 170), to provide emergency assistance to producers of agricultural commodities in fiscal year 2001, and additional funds for farm and conservation programs during fiscal years 2002 through 2011.

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I would like to make a few comments on the pending budget resolution.

AMENDMENTS NOS. 174 AND 176

The ACTING PRESIDENT pro tempore. If the Senator will yield, under the previous order, the Senate will now resume concurrent debate on the Grassley amendment No. 174 and the Johnson amendment No. 176 with the time to be equally divided.

The Senator from Pennsylvania is recognized.

Mr. SPECTER. I thank the Chair.

Mr. REID. Time will be off the Republican side.

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

Mr. SPECTER. Mr. President, it is my view that a $1.6 trillion tax cut is an appropriate figure considering the projected surplus of $5.6 trillion. But I am concerned that projections over a 10-year period are risky. If there is a change of 1 percent in the inflation rate or a change of 1 percent in the unemployment rate, the figures are very different.

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

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I recall the projections in 1981, when we considered the Kemp-Roth tax bill, that surpluses were expected and deficits turned out to be the fact. It is my view that there ought to be the condition that these surpluses do materialize for the $1.6 trillion tax cut to take effect. I personally do not like the concept of a trigger, which means some recall action or some responsive action. It is my view that conceptually the proper approach is that we are to have the tax cut if the surplus holds up, and it is the event of the tax cut about which we are talking.

I have discussed the matter with the distinguished chairman of the Budget Committee and with other Senators. Senator DOMENICI has assured me he is working on language that will satisfy the concerns many of us have expressed. My soundings in Pennsylvania, and really around the country, are that there is enormous concern that we not add to the national debt. When I have polled my constituents—repeatedly in the course of the past many years, up to a decade—I have found that more people are concerned that the national debt be paid down—in fact, paid off—than are concerned about a tax cut.

But as President Bush has projected a $5.6 trillion surplus, to repeat, there is adequate room for a $1.6 trillion tax cut, and there is adequate room to be sure that Social Security is sound, that Medicare is reformed, and that we are able to have the appropriations on the domestic discretionary accounts which are appropriate for the important needs of health, education, and other discretionary domestic programs, and defense as well.

I have also expressed my concern in conversations with the leadership of the Senate, and with the administration in discussions with Vice President CHENEY and Secretary of the Treasury O'Neill, that at least as I view it, the tax cut ought to be a little more heavily weighted for middle and lower income Americans.

I realize that in the budget resolution we are not going to delineate all of the parameters of these considerations. What we are looking at technically in the budget resolution is the $1.6 trillion without a specification as to conditionality, without a specification as to how the tax cut will be apportioned.

But I think it is important for Senators, such as myself, to express themselves so there will be notice to those on the Finance Committee and the Republican leadership and the White House as to where, at least, this Senator stands when the bills are presented. With the 50–50 Senate, it is important to be looking to take into account the condition of all Senators.

It is my hope and expectation to be able to support our new President. I think he is off to an outstanding start. I had the opportunity to travel with him to Beaver County, PA, several weeks ago when he was talking about his tax plan. I believe we are on the right track.

But this is a body which is not a rubber stamp. Under the separation of powers—the Framers of the Constitution drafted the most impressive document in the history of the world, second to the Bible, and they made the Congress article I, they made the President article II, and they made the judiciary article III. If someone were to rewrite the Constitution, it would appear that the Supreme Court has rewritten the Constitution really to make the judiciary article I. But we are not supposed to be a rubber stamp. But counsel and collaboration is appropriate. That is why I take this occasion to express my views.

With respect to the domestic spending, the 4-percent allocation, candidly, is tight. But I expect this body to work its will on a number of appropriations and on a number of matters which we will offer for amendments on education and health—and agriculture being discussed this morning.

Last year, when the appropriations bill came to the floor for the subcommittee which I chair on Labor, Health, Human Services, and Education, we had established a mark of $106 billion. That was then-President Clinton's figure. After a lot of discussion with him, the Republican caucus, both in the Senate and the House—the Republican leadership—agreed to a figure of $106 billion—somewhat reluctantly, I might say. But my experience had been, in preceding years—without going into details—that if we tried to undercut the President's budget, we ended up paying a lot more.

We then reallocated some of the priorities on the bill presented on the Senate floor. Then, during the course of the amendment process, very substantial funds were added to education and health care. Being a principal author of the budget presented along with my distinguished colleague, Senator HARKIN, I defended the budget. As I said on the Senate floor, I cast more bad votes in 3 days voting against education and health care measures than I had cast in my preceding 19 years in the Senate. But that was my job, to defend the budget, and I did.

Some 13 Republicans joined the Democrats in the add-ons, which I would not be surprised takes place at least to some extent on this budget resolution today. When the $106 billion budget for Labor, Health and Human Services, and Education was not submitted to the White House, because the Republican leadership never saw fit to do that, the figure then ballooned to $114 billion. At which point, I refused to sign the conference report. Then the figure was ultimately lowered to $107.9 billion.

As we consider this budget resolution, the lesson from that is, if we don't adopt a realistic figure at the outset, we are going to end up spending more.

Last year when we took up the budget, there were some on the Budget Committee who wanted $596 billion for discretionary accounts. Finally, the figure arrived at was $600 billion. The result then was a lot of mirrors and smoke on deferred expenditures. The figure which was needed was $616 billion. Had that figure been present, we could have gotten agreement in this body and in the House and then gotten the bill signed. Ultimately, the figure was $640 billion. We spent at least $24 billion more than we should have because of the last minute rush and add-ons became the order of the day.

It is different this year. We have a Republican President. Last year we had a President who was a Democrat. There was pressure from the White House for add-ons. This year it is my expectation that, while there may be some flexibility from the White House, the pressure will be reversed.

The President still has the veto pen. It is my hope that, as we move forward with the budget resolution, we will adopt realistic figures with which those of us on the Appropriations Committee can live and structure bills that can be enacted.

I compliment Senator DOMENICI for the extraordinary work he has done on this budget and budgets in prior years. He has served as chairman or ranking on the Budget Committee since 1981. It is an extraordinarily difficult job. He also sits on the Appropriations Committee where he is caught between a rock and a hard place as he tries to maneuver through the requirements and the wishes, sometimes the demands, of the Budget Committee to try to structure a bill which will pass in Appropriations. He has done just an extraordinary job, as has the chairman of the Appropriations Committee, Senator STEVENS, who has the unenviable job of trying to make ends meet with 13 subcommittees.

I also compliment my colleague, Senator CONRAD, for the work he has done, for his having come to see me on a couple of occasions to go through the budget, as he sees it, in an effort to try to find common ground for a budget which can be approached on a bipartisan basis.

It is regrettable that we have not been able to work through a budget resolution which could be accomplished on a bipartisan basis. It is my thought that if we work at it harder, that is something we can still do. Senator HARKIN and I have had a very close relationship; he earlier as chairman and I as ranking on our subcommittee and I now as chairman and Senator HARKIN as ranking. I learned a long time ago if you want to get something done in Washington and in this body, there has to be bipartisan cooperation.

I also compliment the ranking member of the Appropriations Committee, Senator BYRD, who has performed in that capacity with great distinction, as he has as President pro tempore and majority leader and also, in prior years, as chairman of the Appropriations Committee.

I thank the Chair and yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I yield myself 10 minutes off the resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CONRAD. I thank the Senator from Pennsylvania for his kind words. I have always enjoyed working with him. He is right. I hope it is not too late to have a bipartisan approach to this budget. We are rapidly running out of time. Very soon we will be casting the final votes that will set this budget in place. Nobody should doubt what that will mean for the rest of this year and perhaps for the rest of the decade.

This morning in the Washington Post I noticed an opinion piece by former Republican Senator Warren Rudman, former Democratic Senator Sam Nunn, who are cochairmen of the Concord Coalition, and three former high officials in the Federal Government: Robert Rubin, former Secretary of the Treasury; Paul Volcker, former Federal Reserve Chairman; and Pete Peterson, who was Secretary of Commerce in the Nixon administration. I want to bring to the attention of the Senate this opinion piece because they make a great deal of sense in how they have alerted us.

They say in part in this opinion piece that ''great care must be taken to ensure that any tax cut medicine treats the short-term economic symptoms without adversely affecting the long-term prognosis.'' They go on to say:

> We believe an immediate fiscal stimulus can be provided independently of the proposed 10-year tax cut. Any additional tax cut should be limited to account for the enormous uncertainty—

Something the Senator from Pennsylvania mentioned in his remarks—

> of long-term budget projections and the huge unfunded obligations of Social Security and Medicare. A compromise based on this framework would help ensure passage of a budget resolution with substantial bipartisan support.

They are right. We could have substantial bipartisan support on a plan to provide immediate fiscal stimulus. I wish we would halt work on the budget right now, go to work on a stimulus package right now and pass it this week, get it into the hands of the American people as quickly as possible, and then go to work on a 10-year package that would take account of both the uncertainty of this 10-year forecast and also, as former Senators Nunn and Rudman and their group have advised, ''the huge unfunded obligations of Social Security and Medicare.''

They go on:

> The first part of the compromise, passing immediate tax relief, already has overwhelming support.

They are right.

> The second part of the compromise involves an entirely separate issue—the extent to which policymakers should gamble on the accuracy of 10-year projections that the Congressional Budget Office itself says could be off by trillions of dollars. In our view, it would be exceedingly unwise to rely on these projections to lock in a series of large, escalating tax cuts, particularly before addressing the implications of the future financing requirements of Social Security and Medicare.

Mr. President, how much time have I consumed?

The ACTING PRESIDENT pro tempore. The Senator has consumed 4 minutes.

Mr. CONRAD. If the Chair will inform me when I have consumed 8 minutes, I would appreciate it.

This chart talks about the uncertainty former Senators Nunn and Rudman have discussed. This is from the Congressional Budget Office itself, the ones who did the forecast. They tell us the projection of a $5.6 trillion surplus has only a 10-percent chance of coming true, a 45-percent chance there will be more money, a 45-percent chance there will be less money. Of course, this forecast was made weeks ago. In the interval, the economy has weakened further.

I will bet that the chances are we will probably have less money over this 10-year period than was previously forecast. Yet we are about to lock in a 10-year plan that leaves little margin for error.

It uses all of the non-trust-fund money for the tax cut. That means if the forecast does not prove out, if there is less money, we will be into the trust funds of Medicare and Social Security, and we will be into them at a critical time—right before the baby boomers start to retire. And all of these surplus numbers will turn to substantial deficits.

I hope very much that colleagues will take a look at this opinion piece by our very respected former colleagues, Republicans and Democrats, who are saying: Enact the stimulus package now. That is something we should do and then go to work on a 10-year plan that takes account not only the uncertainty of the projections but that also takes account of the massive unfunded liability in Social Security and Medicare. That would be the responsible thing to do. That would be the wise thing to do. And I think we could come together on a bipartisan plan to do both of those things.

Let me conclude on the question of the uncertainty of the forecast by saying this chart shows that in the year 2006 we can have anywhere from a $50 billion deficit to more than a trillion dollar surplus, and this is according to the people who made the forecast. That is the uncertainty. It is just unwise to come out here and support a plan that uses all of the non-trust-fund money for a tax cut. I think it virtually assures that we will be raiding the trust funds of Medicare and Social Security if the President's plan passes.

Let me say that the plan we have offered on our side as a potential compromise protects the Social Security and Medicare trust funds—every dollar of those moneys—and then, with what is left, divides it in the following ways: a third for a tax cut; a third for the high-priority domestic needs of prescription drug benefits, money to improve education, money to strengthen our national defense; and then, with the final third, we do what is proposed by our colleagues in this opinion piece this morning—set aside $750 billion to begin to deal with our long-term liability in Social Security and Medicare. That is a conservative approach. To me, it is a wiser course than using all of the non-trust-fund money for a tax cut—a tax cut that is predicated on a 10-year projection that is highly uncertain.

There has been a lot of talk about what the differences are between our plan and the competing plan on the other side. The fundamental difference is right here—short-term and long-term debt reduction. Our plan dedicates $3.65 trillion of the $5.6 trillion projected surplus for short- and long-term debt reduction. President Bush's plan dedicates $2 trillion for that purpose.

I suggest to my colleagues that the plan we are offering is conservative; it takes account of the uncertainty of this forecast; and it gives us maximum paydown of both short-term and long-term debt.

With that, I yield the floor and look forward to our remaining 1 hour of debate on the amendment before us.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. GREGG. Mr. President, I yield the Senator from Georgia such time as he may consume.

The ACTING PRESIDENT pro tempore. The Senator from Georgia is recognized.

Mr. MILLER. Mr. President, I rise in support of the amendment that I have introduced jointly with the Senators from Iowa and New Mexico. This amendment to boost agricultural spending comes at a time of great distress for our American farms. It will provide our struggling farmers with the assistance they so desperately need, and we believe it will give Congress the ability to craft a solid farm bill as these negotiations near.

This amendment will provide nearly $64 billion in increased agricultural spending over the next 11 years. More importantly, it addresses our current problems by providing $5 billion for fiscal year 2001—a critical boost for later in this crop year.

This amendment is also fiscally responsible, accounting for only a small portion of our projected surplus; and it will not jeopardize support for other priorities that Congress identifies.

Crops are now going into the ground and farmers are extremely worried. The cost of fertilizer and fuel is expected to hit near record amounts this summer, at the same time we watch commodity prices continue to fall.

While this immediate funding is critical, I say this: It may not prove to be

enough. We will have to watch our agricultural situation very closely to determine if additional funds are needed later this year. Nevertheless, I appreciate very much the leadership and cooperation of my colleagues in providing funds for this fiscal year and addressing this problem directly.

We all understand the importance of this effort, and we will have to work together to assist our producers through these difficult times. Farmers are pleading for our help. They are selling their crops at the same level today that they or their parents did 20 years ago, while the cost of production continues to soar.

Without our help, many farms in my State and all around this country will continue to go out of business. Agriculture provides one out of every six jobs in my State, and it has an economic impact of over $60 billion a year. Georgia farmers have a compelling need for stability. The rural communities they support are under great distress as well. And those who know rural America know this type of distress extends far beyond the farm. It affects the car dealership; it affects the local restaurant and the downtown department store. These pieces of rural economies are inextricably linked.

I thank the chairman, the Senator from New Mexico, and the Senator from Iowa for recognizing this shortfall in funding for agriculture and for their willingness to work with me on this amendment. As I mentioned, this is a responsible approach, and while it may not be the final solution, I think it will go a long way and will be a good step forward to ensuring that the needs of America's hard-working farmers are met. I hope my colleagues will support this important and timely amendment.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. DOMENICI. Mr. President, I yield 10 minutes to the Senator from New Hampshire.

The ACTING PRESIDENT pro tempore. The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, I congratulate the Senator from New Mexico for his efforts on this piece of legislation which is so important to our country. I also congratulate the Senator from North Dakota for his fine efforts in presenting the other side of the case in this matter.

I wish to talk about a number of issues that have been raised today. Specifically, however, I want to get into the issue of spending in this bill and the potential for driving a large hole in the concept of controlling spending at the Federal level. The Senator from North Dakota cited a recent op-ed piece written by the cochairmen of the Concord Coalition which has been a force for fiscal discipline in the Congress for many years. I think if the cochairmen of the Concord Coalition had followed the debate over the last few days, and specifically the debate on the agricultural amendments, the debate on the IDEA amendments, the drug proposals as a mandatory exercise, they would have serious concerns and may not have written the op-ed pieces they wrote. They would see that the contingency fund, or the fund for the preservation of Social Security as it is defined, or the reserve for Social Security as defined by the Senator from North Carolina, as defined by the President in his budget, is under serious stress and duress because the dollars are being spent rather aggressively in this Congress as we add more and more mandatory programs to the agenda of the Congress.

Mandatory programs have an insidious way of spending Federal dollars without the Congress having to be responsible in voting for those Federal dollars once the initial vote has occurred.

Regrettably, in this exercise, we are on all sorts of levels adding new mandatory programs to the Federal accounts. In the end, that is going to drive up Federal spending dramatically and, as a result, put pressure on the Social Security trust funds, put pressure on the ability to return to taxpayers in the form of a tax cut the moneys which they rightly deserve, moneys which they are sending us which we do not need to spend, and generally limit fiscal discipline. Mandatory programs essentially are not subject to fiscal discipline.

I want to speak specifically to the mandatory programs now being proposed in the area of agriculture. Regrettably, over the last few years, the agricultural accounts have been the least disciplined accounts within the Federal agenda. In fact, if we go back—and this chart reflects my point—if we go back over the last couple of years, we see the green lines are the Federal caps. This is what we were supposed to spend as a Federal Government. Beginning in 1998, we went way beyond those Federal caps and exploded Federal spending.

That explosion of Federal spending, above what we said we were going to do as a Congress, was driven in large part by emergency events. Those emergency events in large part were agricultural spending. In fact, agricultural spending over the last few years, as a result of increases driven by the Congress, have gone from $9 billion in 1996 up to $38 billion in 2000.

The majority of this increase—which is a staggering percentage increase by the way, almost a 400-percent increase—the majority of this increase has been done under the guise of emergency spending.

Last year there was $31.5 billion in emergency spending in the agricultural accounts. That is why this chart has such a dramatic and regrettable line to it—the actual spending in relation to what we were supposed to spend as a government because emergency spending in the agricultural accounts has been so out of control, for all intents and purposes.

This year there is a new approach. The approach is: Let's not deal with these emergencies anymore; let's just make all this mandatory, and then we will not have to do emergencies. We will just simply spend the money and never have to account for it under any scenario. That is not fiscal discipline.

We need to look at what is happening in the agricultural community to understand the extent of the spending, the largess that is occurring.

In the year 1999, the Government payments as a percentage of farm income in the United States were essentially half. In other words, if you take net farm income, half of the net farm income in this country came from the Federal Government in tax payments raised from Americans and then paid out to farmers.

That is a staggering change because, in the year 1990, only 20 percent of the payments that went to farmers were Federal payments, Federal tax dollars going to farmers. The top 1 percent of farmers received, on average, $660,000 each from the Government. The top 10 percent received $308,000. The average farm income exceeds the average American household income by $1,000.

These numbers are staggering. In some States, net farm income—in other words, what farmers make in profit, what they actually hold in their accounts to operate their day-to-day lives after their expenses—net farm income was exceeded by Government payments by over 100 percent.

In the State of North Dakota, direct Government payments exceeded net farm income by 210 percent. In the State of Indiana, direct Government payments exceeded net farm income by 192 percent. There are eight States in this country where direct Government payments exceed net farm income.

What does that mean? That means we pay more in tax dollars to the farmers in those States than the farmers take home in pay after expenses. That is an incredible figure. It essentially means that, for example, in the State of Indiana, we could say to every farmer in that State: Stop farming, and we are going to pay you twice what you make now in taxes because that is what we are doing today. Yet that is not enough.

Today we have amendments facing us which are calling for an increase—an increase—over this staggering amount which we have already seen in the last 5 years rise to $38 billion. This amendment is calling for an increase over that number. The Johnson-Conrad amendment is calling for an additional $97 billion over the next 10 years. That is going to jump this number up radically and, over the next 10 years, obviously have a huge impact on the budget.

It is going to be a mandatory program. Once we pass it, because of the machinations and procedures of this place, that is going to be the end of the game. It is over. A lot of times on these budget debates we are fighting with

rubber bullets. We shoot at each other, but it does not hurt that much. These are not rubber bullets. These are real bullets. When we pass this one, it becomes a mandatory program. When the authorization committee acts, which we absolutely know is going to happen because the authorization committee strongly supports increasing funding, it is over. We will have a mandatory program on the books which is going to cost the American taxpayers a huge amount of money over the years. It makes no sense from the standpoint that we are already paying two times the cost of the net income in States such as Indiana and North Dakota.

It also makes no sense because the price of farm products is going up, as this last chart shows. We have a significant increase in farm prices occurring in many commodities—rice, soybeans, wheat, and corn. One has to wonder, if the prices are going up—and they are projected by CBO to go up. For example, corn prices are projected to go up 30 percent over 10 years; soybeans, 43 percent; wheat, 40 percent; rice, 40 percent—if they are going to go up, why do we have to put the subsidies up?

I do not know. I know every time we have a farm bill, the American taxpayers end up paying a huge amount of money.

The Senator from North Dakota is a strong supporter of this. This is his amendment. For those of us in the rest of the country, we have to ask ourselves: Why would we want to put on the books a mandatory program that is going to cost us these types of dollars? Let us at least have the ability to come back every year and check this number and see whether we really need it.

Mr. President, I suspect my time is up. Therefore, I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. CONRAD. Mr. President, I yield myself 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator is recognized for 5 minutes.

Mr. CONRAD. I listened to my colleague and my friend from New Hampshire describe farm prices rising. I would love for him to go to my home State and tell the farmers that farm prices are rising. They are not rising. They have the lowest farm prices in real terms in 75 years. That is what is happening to farm prices.

Mr. GREGG. Will the Senator yield?

Mr. CONRAD. I will be happy to yield in a moment. I would love to have a dialog on this question.

I say to my friend from New Hampshire, I know agriculture is not a dominant industry in New Hampshire but it is dominant in many States in the Nation. For those who represent farmers, we can report to our colleague there is a desperate crisis across farm country. This is about as serious a situation as I have ever seen.

When our colleague says farm prices are rising, he is talking about a projection into the future by the Congressional Budget Office, the very same people who said prices would be rising now, when prices have plummeted. Their record on forecasting farm prices is not very good. It is another indication of why there is great danger in banking on any 10-year forecast. That is what the Senator from New Hampshire was showing, a 10-year forecast for farm prices by people who in the past haven't been able to forecast farm prices worth a hoot and a holler.

Here is what has happened. This is what has really happened from 1991 to now. The red line on this chart is the prices farmers receive. The distribution of this line is quite clear. It is almost straight down. The green line is the prices farmers pay for their input. It is going up, up, up. It is the relationship between the prices farmers pay and what they are paid that has created this farm crisis. It is why there is strong support on a bipartisan basis to respond. It is the reason so much of farm income is currently coming from the Federal Government. If it weren't, we would have an absolute collapse occurring in farm country.

My State is a wheat State. When my colleague from New Hampshire says farm prices are rising—and I say I would love to have him come to my State and address a farm crowd and explain to them how farm prices are rising—this is why he wouldn't get a very good reception. This chart shows what has happened to farm prices ever since we passed the last farm bill which was a disaster in itself. Farm prices have plummeted. That is what has happened to wheat prices. Here is the cost of producing. Here is what has happened to prices. The prices are far below the cost of production.

Mr. GREGG. Will the Senator yield?

Mr. CONRAD. I will yield soon. I want to first devastate the case the Senator made.

Mr. GREGG. You are not devastating my case. You are trying to devastate CBO's case.

Mr. CONRAD. No, the Senator was making the case that CBO made. When you say farm prices are rising, they are not. That is the simple reality. What you have is the lowest prices in real terms in 75 years, and it is a crisis all across rural America, all across agricultural America, and every Senator who represents a farm State, farm constituency, knows it.

Let's talk about some of the underlying reasons we have this serious problem. This is what our major competitors are doing. We cannot talk about agriculture in isolation. We have to talk about what is happening with our major competitors. Our major competitors are the Europeans. This is what the Europeans are doing to support their producers: $313 an acre on average. This is for the period of 1996 to 1999. This is what we are doing in the United States during the same period: $38 an acre. That is nearly a 10-to-1 advantage in terms of what the Europeans are providing their producers versus what we are providing our producers. These are not KENT CONRAD's numbers; these are the numbers from the Organization for Economic Cooperation and Development. They are the international scorekeepers on these questions.

It isn't just what they do for their producers directly; it is also what they are doing in terms of agricultural export support. Here is what the Europeans are doing. This chart shows which countries are providing what percentage of world agricultural export subsidy, according to the World Trade Organization. This is for the last full year for which there are records, 1998. The blue pie on this chart is Europe's share of world agricultural export subsidies. It is 83.5 percent. The U.S. share is 2.7 percent. That is 30 to 1 as a differential. Is there any wonder our farmers are getting killed in the international marketplace? Is there any wonder our market share is going down and Europe's is going up? Is there any wonder Europe was poised to surpass us in world market share last year?

Our friends in Europe have a strategy and a plan. They are working it, and they are working it very effectively. They have told me flatout: We think we are in a trade war with you in agriculture, and we think at some point there will be a cease-fire in this trade war. We believe it will be a cease-fire in place. We want to occupy the high ground. The high ground is world market share. We are going out and buying.

That is exactly what they are doing. They are buying world market share.

We are faced with a circumstance in which we have a crisis in American agriculture. It is deep. It is threatening. It is so serious that if it is left unchecked, it will force thousands of farmers off the land—not because of anything they have done but because of our failure to respond to the European juggernaut.

The Senator from New Hampshire wanted to join in a colloquy, and I am happy to entertain a question on his time.

Mr. GREGG. I am not sure I have any time.

Mr. DOMENICI. The problem is we don't have any time because of the circumstance that occurred this morning. That time was used up by a distinguished Senator who was speaking on a subject unrelated to this. He had authority to do that. He spoke for quite some time, so we ended up very short in time.

My friend got some time this morning, and I wonder if the Senator would object to a request on my part that we be given an additional 15 minutes.

Mr. CONRAD. I object unless we are given an additional 15 minutes, and that extends the time of the vote. I don't think that is a wise course.

Mr. DOMENICI. How much time do they have remaining?

The ACTING PRESIDENT pro tempore. They have 33 minutes.

Mr. DOMENICI. The Senator wants our side to finish debate in 7 minutes, and he has 33.

Mr. CONRAD. The Senator has used his time. I didn't use his time. He used his time. If you add time, the only fair way to do it is for us to then add time, and then we extend the time for the vote, which I don't think should be done. We wouldn't accept that.

Mr. DOMENICI. Mr. President, I ask unanimous consent for 15 minutes off the resolution and I give 3 minutes of that to the Senator.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GREGG. I thank the Senator from New Mexico. I wish to make a couple of points in response to the Senator from North Dakota.

First, as to my original point—and the Senator makes this point with his representations as far as the unpredictability of the pricing of the commodities—I cited a pricing list put forth by CBO, and the Senator rejects CBO as a scorer on this event. Then we should be coming back to the farm issue every year. We should not be making it a mandatory 10-year event where the authorizing committee can essentially create a cost to the taxpayers of this country which will not be adjusted by the actual events that occur in the marketplace.

Second, the fundamental point I am making is that the gross increase in farm spending has been uncontrolled and that the amendment that is being proposed of another $100 billion of new spending on top of the Federal baseline is a massive hole in the Federal budget. It is going to a program which makes no sense any longer. In States such as North Dakota, the American taxpayer is presently paying, in tax subsidies to the average farmer in North Dakota, twice what the farmers make in take-home pay. So it makes no sense. It is a program that makes no sense.

I agree with the Senator from North Dakota on that point. But I do not think the way you resolve it is by putting more and more money into it. In fact, the last Agriculture Secretary, Secretary Glickman, said exactly that. He said the incentive for farms to be efficient any longer has been lost. Essentially, the Government role is requiring the farmer to do something in return, which has been largely eliminated by the Congress. There is essentially a program that is out of control and it is getting more and more out of control. All we are doing is suggesting we throw more and more money at it, so now we have eight States where the Federal Government pays more in subsidy than the farmers take home in pay. What type of program is that? It does not make any sense to me.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. CONRAD. Mr. President, in response to my colleague from New Hampshire, when he uses the figure of 200 percent in North Dakota, what he is taking is a year in which there were two emergency packages paid in the same year: one for the previous year, one for the current year. So it is not an accurate picture of what is occurring.

The Senator is right that agricultural spending has increased. It has increased in response to a crisis. It has increased in response to the lowest farm prices, in real terms, in 75 years.

I put up the chart that shows what has happened to farm prices. They have gone straight down since the last farm bill has passed and the prices that farmers pay have escalated, escalated, escalated, creating a huge gap between the prices they pay and the prices they receive. If we do not respond, we will see tens of thousands of farmers forced off the land.

Talking about a value question, this is a value question. It has nothing to do with our farmers doing something wrong or being somehow incapable of competing. But they are up against the hard reality of what the Europeans are doing. The Europeans are outgunning us 30 to 1 on export support for agriculture—30 to 1. On support to individual producers they are outgunning us almost 10 to 1. That is the reality of what we confront here.

The Senator from New Hampshire can say ''tough luck, you are all down the road here,'' but I do not think that is the response of the American people. I think the American people say if this is what our competitors are doing, we ought to fight back. We ought to level the playing field. We ought to give our farmers a fair, fighting chance.

I know there are other Senators waiting for time. How much time does the Senator from Iowa need?

Mr. HARKIN. May I have 5 or 7 minutes?

Mr. CONRAD. I yield 7 minutes to the Senator.

Mr. DOMENICI. Senator HUTCHINSON has been waiting. Can I give him 3 minutes?

Mr. CONRAD. Certainly.

Mr. DOMENICI. Mr. President, I yield 3 minutes.

The PRESIDING OFFICER (Mr. GREGG) The Senator from Arkansas is recognized for 3 minutes.

Mr. HUTCHINSON. Mr. President, as a new member of the Agriculture Committee, it will take only a moment to give my perspective as the Senator from Arkansas, and it is a little different perspective from what some have been speaking about on agricultural spending. Certainly there are some big issues that have to be addressed on farm policy. They will be addressed in the context of a new farm bill. The reality is farmers are hurting right now. They need a signal from this Senate and this Congress that we are going to address the crisis that agriculture is experiencing.

In my home State of Arkansas, 25 percent of our economy is agricultural related, either directly or indirectly. In east Arkansas, in the Delta of Arkansas, the entire economy is related to agriculture—the implement dealers, the seed stores, the bankers, or the farmers themselves. So this is a critical issue to my State and one we must address.

Because of low commodity prices, because of increasingly high energy costs, because of high fertilizer costs, because of the investments in machinery that are required, all of this compounds to create a very serious situation in farm communities across Arkansas.

What we are seeing is the death of American agriculture by attrition. We may be able to point to a rising graph on spending, but we must acknowledge that what farmers are facing today is a grave crisis. The way we have handled that in recent years has only added to the uncertainty. This signal early in this budget debate will send the right kind of message to the farmers of this Nation that Congress is not going to leave this issue unaddressed, and we are going to address it early. My farmers want predictability that they can take to the bank. I believe the Grassley amendment will provide the funding levels that will lay the foundation for greater certainty in the future.

What is at stake is not just a safe, affordable and reliable food supply for the American people—something we have always taken for granted—it is a quality of life. What is at stake is, in fact, a value system and whether or not we believe that is worth an investment on the part of the Federal Government. I believe it is, and I strongly support the Grassley amendment.

I reserve the remainder of our time.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. I yield 7 minutes to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, I watched the occupant of the chair in his recent remarks on the state of agriculture in America. He had a chart purportedly showing, if I remember his words correctly, that spending was out of control on agriculture. Spending had gone up.

I want to point out that in 1999, farm payments, Government payments to farmers in Iowa, equaled about 130 percent of their net farm income. Think about that. If it were not for the Government payments, Iowa farmers in the aggregate not only would have had no net farm income, they would have been far into the red—negative income. Think about it: Federal Government payments amounted to 130 percent of Iowa's net farm income.

The Chair, in his comments, said spending is out of control. Was the Senator from New Hampshire blaming the farmers for this? I surely hope not because what is happening in agriculture today—high Government spending, yet farmers still being driven out of business—is a reflection of the misguided, defective farm program that we have called Freedom to Farm. I am proud to say I did not vote for it.

These large Government payments in agriculture are a reflection upon a failed agricultural policy in America. We have to get our farm policy back on track again. But we cannot get it back on track by just pulling the rug out from underneath our family farmers and blaming them for the failures of this Congress to pass a farm bill that provides for better incomes from the marketplace.

As I see the Grassley amendment, it basically takes us down the same pathway as Freedom to Farm did. It says, don't worry; be happy; sometime in the future the prices are going to go up, the markets are going to be there, and everything is just going to be fine. The failure of Freedom to Farm was that it told farmers to plant fence row to fence row for markets that did not materialize. Plant all you want. The consumption will be there, the demand will be there, trade will be there, and the foreign markets will be there; not to worry. Well, as we know, they were not there.

I was in China last year. Last year China was exporting corn. We know what Brazil and Argentina are doing to compete with us in soybeans. We are awash in grain in the world markets right now. Yet our policy says keep on producing even more. I certainly hope we are not going to punish U.S. farmers by saying, get out of business, and get off the land because we have a failed farm policy that we have passed in the Congress.

What we need to do is improve that policy. We have to write a new farm bill by next year. The so-called Freedom to Farm bill expires then—and we have to make some changes.

The amendment of my colleague from Iowa will not permit us to make the kind of changes that are necessary to improve our agricultural policy. For example, I believe there is almost universal support for additional conservation spending and for rewarding farmers for being good stewards of our soil and other natural resources.

With the support of both agriculture and conservation groups, as well as other members of Congress, I have a proposal for a conservation incentive program to provide farmers and ranchers the support they deserve for being good stewards of their land and at the same time keep them in business in agricultural production.

But the amendment by my colleague from Iowa, the Grassley amendment, provides only $350 million a year in additional conservation funding. Much more than that is needed if we are going to have a sound, viable farm and conservation and conservation program.

The Johnson amendment, on the other hand, provides a full $1 billion for added conservation spending. And it provides enough funding overall so that the Agriculture Committee can use its judgment to devote more than that to conservation if they need to do that. And I believe we are going to need to do that.

The Grassley amendment fails to provide the funding to permit us to do in the Agriculture Committee what I believe most of us on both sides of the aisle want to do; that is, to have more conservation; to reward farmers for being good stewards of the soil, water and resources; to tell our urban cousins that they are going to get more conservation in return for farm spending—they will get cleaner water, cleaner air, healthier land, and more wildlife. But farmers cannot bear the whole burden of being good conservationists. It takes time, it takes equipment, and it takes money to do that. Farmers are not making much if any money now. They cannot really afford more expense for conservation.

I believe it is in our national interest to shift the agricultural program to put more money into conservation. That will help farm income and while delivering conservation and environmental benefits for all of us. The Johnson amendment will allow us to do that. The Grassley amendment will not.

Right now the Natural Resources Conservation Service of USDA estimates that at least five times as many farmers apply for funds under the Environmental Quality Incentives Program than can be approved. Farmers want to enhance their stewardship of land and natural resources. We ought to be encouraging them—not turning them away.

Again, the Grassley amendment does not provide the money we need to strengthen our farm programs and help our farmers be good stewards of land, water and natural resources.

The amendment doesn't even provide for the core funding that we are going to need in agriculture over the next 10 years. For 2002, the underlying amendment will only provide about $7 billion against a short fall in farm income of some $10 billion. It provides only $5 billion for 2001, which is far, far too low.

The Grassley amendment makes the same fatal mistake as Freedom to Farm. It bets on the hope of expanding markets and rising prices for farm commodities.

Again, as we transition in agriculture, as we get off of the failed Freedom to Farm bill, as we move into a stronger conservation mode—which will help farmers and ranchers not just in the Midwest, but in the Northeast, in the Northwest, the Southeast, and all over America—and meet the requirements and needs we have for environmental and environmental practices and allow farmers to stay in business. The Grassley amendment simply does not provide for that.

Lastly, let me say that especially in Iowa—I am sure it is true in South Dakota also and North Dakota—we have a very high proportion of elderly in our State. I believe Iowa is No. 1 in the Nation in proportion of people over age 85. And we rank near the highest in the proportion of our citizens who are over age 65. Medicare is critically important to my constituents. It is critically important. Yet the underlying amendment takes money away from Medicare to help pay for agriculture. The last thing I want to do is to pit our elderly, who rely on Medicare, our rural hospitals and our rural providers that rely on Medicare, against our farmers. But that is exactly what the Grassley amendment does. It pits the interests of older Iowans against those of farmers. That is the last thing I want to see happen.

The Johnson amendment is much more forthright. It says we don't need to give all of these tax breaks to the superrich. We will take a little bit out of the tax breaks that are given to the upper 1 percent in our country to help meet our needs in agriculture.

There are a lot of reasons to be opposed to the Grassley amendment, but I submit to you that perhaps the single most important reason is that we should not be taking away from Medicare to pay for agriculture and pit the elderly in my State against farmers. That I cannot support. There is enough money if we do not give tax breaks to the wealthiest in our country—at least not 43 percent of the tax reductions. We can give them a little bit. The Conrad amendment provides for a lot of tax reduction, but not the huge amount of tax breaks in this budget proposed by President Bush which prevent us from adequately funding agriculture and other priorities.

The Johnson amendment is one that makes sense. It will help us get our agricultural house in order without going after Medicare.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, maybe I can review the points the Senator from Iowa is making on the amendment that we will vote on very shortly.

The Grassley amendment, while well intended, has a very unfortunate consequence. We have gone back now and looked at the year-by-year numbers in the Republican budget resolution. What we find is very clear. If the Grassley amendment for additional support for agriculture passes, he is going right into the Medicare trust fund in the years 2005, 2006, 2007, and 2008.

I believe strongly that we ought to increase support for agriculture. We have an amendment to do that. It is the Johnson amendment that will follow the Grassley amendment. But we do not raid Medicare trust funds to do it. That is a profound mistake, and it is precisely what the Grassley amendment does.

If one looks at the budget we are considering this year and then the following 10 years, if you take out the Grassley amendment that previously passed for prescription drugs and the funding in each year for that initiative, then you take out the Grassley agricultural amendment and the funding it requires in each of the years, you find that you are raiding the Medicare trust

fund by $15 billion in the year 2005, by $13 billion in the year 2006, by $10 billion in the year 2007, and by $4 billion in the year 2008. So that is a total raid on the Social Security trust fund of $42 billion. It is just wrong. But it is what the amendment of the Senator from Iowa does, perhaps unwittingly.

Mr. HARKIN. If the Senator will yield?

Mr. CONRAD. Yes.

Mr. HARKIN. The Senator has really encapsulated this. The Grassley amendment, first of all, does not meet the legitimate needs of agriculture. It falls far short of what we need. The Johnson amendment meets that need.

Secondly, in terms of conservation, where we want to really move forward, the Grassley amendment does not permit us to support the kind of conservation work we need. The Johnson amendment does.

And lastly, as the Senator pointed out, the Grassley amendment is not going to help us in agriculture, but it still raids Medicare. The Johnson amendment doesn't.

Again, I thank the Senator for pointing this out. His explanation really encapsulates why the Johnson amendment is best for rural America and does not go after the Medicare trust fund.

Mr. CONRAD. It goes to the fundamental problem of the Bush budget and the fundamental problem of the Republican budget which is trying to match the Bush budget. Of course, we don't even have the Bush budget before us. But with the kind of rudimentary outline he has provided us, it simply doesn't add up because the tax cut is so large.

When you try to adjust the spending provisions, as both Republicans and Democrats now want to do—we saw that yesterday; Republicans agreed that we need twice as much money for a prescription drug benefit. Today we see the Republicans agree we need substantially more for agriculture. Unfortunately, what they have proposed is inadequate. It provides $64 billion over the 11 years. Our proposal would provide $97 billion. But the biggest problem is the source of the funds.

Mr. HARKIN. Yes.

Mr. CONRAD. They are—as can be clearly seen with the combined effect of the amendment they adopted yesterday on prescription drugs and the amendment they seek to adopt today —raiding the Medicare trust fund in the years 2005, 2006, 2007, and 2008. That just can't be the way we do business.

The Johnson amendment, instead, provides that we take this money first out of the surplus for the year 2001, and thereafter out of the oversized tax cut which goes disproportionately to the wealthiest 1 percent.

Mr. HARKIN. If the Senator will yield for a question, I didn't read the CONGRESSIONAL RECORD of yesterday's debate, but I heard that the chairman of the Budget Committee had said that the contingency fund should be reserved for Medicare. At least that is what I thought I heard. Yet the Grassley amendment would take money from the contingency fund to pay for agriculture and take it out of Medicare. Did I hear correctly that they wanted to reserve the contingency fund for Medicare?

Mr. CONRAD. That is the description they gave. But the problem is, their budget doesn't work. When you break it down year by year, it doesn't add up. And that is the problem they have. Maybe they were hoping nobody would notice or hoping nobody would bother to add it up and see they are raiding the trust fund. But they are. And it is undeniable they are raiding the trust fund in 2005, 2006, 2007, and 2008. That is the reality.

Does the Senator from South Dakota seek time?

Mr. JOHNSON. Yes, I do, Mr. President.

Mr. CONRAD. How much time?

Mr. JOHNSON. If I might have just 2 minutes.

Mr. CONRAD. I yield 3 minutes to the Senator from South Dakota.

Mr. JOHNSON. I thank the Senator from North Dakota, the ranking member of the Budget Committee, for his leadership, and thank him and my friend from Iowa, Senator HARKIN, for their very able explanation of what the tradeoffs are as we engage in this budget debate.

There is broad-based agreement we need a significant increase in the level of funding necessary for agriculture. In fact, that agreement is bipartisan. Forty-four Senators have written the Budget leadership—including 19 of my Republican colleagues—asking for additional resources for agriculture.

In addition, over 20 farm and commodity organizations have been asking for the resources roughly equivalent to what we are doing in the Johnson amendment, ranging from the very conservative to liberal organizations in the country, from the Farm Bureau to the Farmers Union, and including corn, wheat, dairy, soybean, cotton, rice, and sugar producers. You name it. We have across-the-board support from agricultural organizations.

I think the sense is to do this in a forthright manner rather than playing games with this so-called contingency fund which, in the first measure, is largely composed of Medicare trust fund dollars and should not be used for these reasons anyway and also keeping in mind the tremendous demands that will more than envelop the contingency fund out of defense, out of nonagricultural disasters, out of additional tax cut proposals, and out of prescription drugs.

The more forthright way to do this is to simply recognize that we ought to utilize the surplus this year and downsize very marginally the size of the overall tax cut over 10 years. We can do that and still afford a very significant tax cut.

This is not a question of whether or not we are going to have a tax cut. We will have a tax cut. It will be huge. In fact, we can do this and have a tax cut at least as large as what President Bush has proposed for middle class and working families. We could go even larger and do this as well.

So it is not a tradeoff in terms of a tax cut or no tax cut. It is a matter of whether we are going to be fiscally responsible. It is a matter of whether we are going to deal with the agricultural and conservation needs of this country and do it in a stable, consistent way without jeopardizing Medicare.

Our goal is to get away from these ad hoc multibillion-dollar disaster packages which are unreliable and which no producer can take to his bank with the assurance it is going to happen in the next year and, instead, have a stable, set, and certain kind of level of funding for agriculture for this coming farm bill and this year. It is our goal to do this and to do it in a fiscally responsible way without jeopardizing Medicare, without setting up a fight over whether it is going to be farm relief or whether it is going to be an increase in defense spending but, instead, to set this funding assigned to do it, utilizing some of these projected surpluses over the coming decade as well as for this year.

This is a responsible way to do it, to have some certainty, to not have financing for the agricultural sector of our economy subject to the whims of the politics of any particular given year, and to not be utilizing what, in my view, is a largely bogus contingency fund. It simply doesn't work that way.

Because we have bipartisan support for a significant ramping up of support for agriculture and conservation, I am hopeful that when the dust settles out of this debate we can have that kind of across-the-aisle support for our efforts with this Johnson amendment.

This is badly needed. We are going through a time of great crisis in America.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JOHNSON. I, again, applaud Senator CONRAD for his leadership in helping to integrate this into a more thoughtful, balanced budget strategy.

Mr. WELLSTONE. Mr. President, I rise to speak in favor of Senator JOHNSON's amendment. This amendment includes $9 billion for emergency farm assistance in Fiscal Year 2001, and $88 billion in additional agricultural assistance above the Congressional Budget Office baseline over Fiscal Years 2002 through 2011. Of this amount $58 billion is provided over Fiscal Year 2003–2007, which will likely be the first five years of a new Farm Bill, and also the period when the need for additional assistance will be greatest. Additionally this increase includes a minimum of $9.4 billion for farm conservation programs. This is approximately a 50 percent increase over baseline funding for current conservation spending.

First, this amendment includes $9 billion in emergency economic assistance for this crop year. This is the second year we have been forced to include emergency farm assistance in the budget resolution. The reason is failed federal farm policy. The 1996 Freedom to Farm Bill, which I call the Freedom to Fail Bill, promised to bring the ''free market'' to agriculture, by reducing government assistance to producers over the life of the legislation. Unfortunately that legislation has failed to provide an adequate safety net during years of low commodity prices and weather related disasters. Over the last three years Congress has spent over $25 billion in emergency payments. The very largest farming operations have received a majority of these payments, while smaller family farms actually received less under Freedom to Farm. Freedom to Farm did not get the Government out of agriculture, but it sure has been successful in getting family farmers out of agriculture.

Unfortunately, economic forecasts for agriculture remain bleak for the 2001 growing season. According to USDA, net farm income is forecast to decline approx 20 percent again this year, in the absence of additional assistance. While commodity prices continue to be depressed, input costs, most notably fuel and fertilizer, are skyrocketing. It is my hope that we will not squander the opportunity this amendment presents, as Congress did last year, to deal with the current price crisis, and write a new farm bill that works for family farmers, rural communities and the environment.

In order to ensure that family farmers remain a part of this country's landscape, a new farm bill must be enacted this year. We simply cannot wait until re-authorization in 2002 for Congress to act. Congress should act now to address the impact of plummeting farm incomes and the ripple effect it is having throughout rural communities and their economic base. We must develop a farm bill which will address the immediate price crisis situation, we need a bill that provides a reliable targeted, counter-cyclical safety net to family farmers. For my part, I believe lifting the loan rate would provide relief to farmers who need it and increase stability over the long term. Additionally I believe we must also make a strong commitment to rural development initiatives this year. We must focus on ways to bring the economic boom of the last decade to rural communities who have been left behind. Finally a new farm bill must work for the environment. We must work to include conservation incentives to reward farmers who carry out conservation measures on their land.

This amendment is about priorities. The Senate will go on record. Do we favor a large tax cut that primarily benefits the wealthiest one percent of taxpayers, and fails to address the key priorities of the nation? Or do we provide a level of funding adequate for Congress to write a new Farm Bill this year that meets the needs of farmers and ensures the future of our rural communities. If we cherish the values of family farming and rural communities, we must pass the Johnson amendment.

Mr. GRASSLEY. Mr. President, the Treasury Department has provided us with data showing the number of farms and small businesses, on a state-by-state basis, that would benefit from the President's tax relief plan. This data is reflected in the two charts that I have placed here on the floor.

So now, let's go to our charts and examine the number of small businesses and farms operating in each of our states.

And let's ask ourselves whether the life's work reflected on these charts deserves to be honored by relieving these people of an excessive tax burden.

We continue to hear our Democrat colleagues claim that other provisions in the budget should be increased at the expense of the tax cut.

Well, let's get one thing very clear. Any reduction in the amount of the tax cut means that the benefits of the tax cut proposal are reduced.

We do know what the other side of the aisle intends to take in order to pay for politically motivated expenditures—they intend to take away America's tax cut! So let's take a look at what this would mean to the American taxpayer.

This means that for families with children, the $1,000 child care credit would be reduced for each child in America. And that will occur for every year of the $1,000 credit.

It means that for four-person families earning $45,000 a year will not have their taxes cut in half, as called for in the President's plan.

It means that a four-person family earning $35,000 a year could be subjected to income taxes. The President would take those families off the tax rolls.

It means that expansion of the education savings accounts could be scaled back.

It means that the marriage penalty will continue because there won't be enough funds left to fix it.

It means that small business owners and farmers will see an increase in their tax rates above the levels proposed by the President. They are already paying the highest levels of tax since World War II.

So remember. Every time there is a politically motivated amendment to reduce the size of the tax cut, someone is going to pay a price for that.

So who pays the price of this political posturing?

Families, small business owners and farmers, of course, because their well-deserved tax relief will have to be scaled back.

The bipartisan amendment would add $5 billion in fiscal year 2001 and $58.5 billion between fiscal year 2002 and fiscal year 2011 to agriculture's mandatory commodity credit corporation price supports, related programs and conservation. Adding $63.5 billion to the existing $94.2 billion already assumed in the baseline would total $157 billion of support.

The amendment would stabilize net cash farm income, provide enough funding to greatly strengthen a countercyclical program, provide additional money for regulatory relief, enhance conservation efforts, and be fiscally responsible.

From fiscal year 2002 through fiscal year 2011 the Johnson/Conrad amendment is funded out of the tax cut. Our amendment is funded out of the contingency surplus. In plain language, they take $88 billion out of tax cuts, we don't.

The major criticism raised last night was that it doesn't spend enough money. This is seemingly always the Democratic philosophy: If a little is good, a boat load is better. Well, let me tell you, that's bunk.

The USDA's Economic Research Service has forecast that on-farm income will drop $5.7 billion between 2000 and 2001. But starting in 2002, both the Food and Agricultural Policy Research Institute widely held to be the best source of non-partisan ag-economic information available, and the Congressional Budget Office have forecast that almost all major commodities will realize improved prices. There will not be dramatic growth, but there will be improvement.

We have funded our proposal at $7.35 billion in fiscal years 2003, 2004, and 2005. This far exceeds estimated shortcomings of on farm net income and provides enough flexibility to help with the cost imposed by new environmental regulations through EPA.

But if your goal is to hurt the family farmer, we should pass a boat load of money here today, then we can stand back and watch cash rent shoot through the roof. Ask any farmer who rents ground how much their rent has increased in the last three years. It's sure not due to inherent value in the land because our commodities have experienced record low prices, yet rent has increased dramatically.

I am not saying we shouldn't help farmers. I have been one of the strongest supporters of increased agriculture spending for additional payments in the Senate. I have also always tried to find bipartisan ground, and I know Senator CONRAD knows this because I have often reached out to Senator CONRAD and Senator Kerrey from Nebraska, when he was in the Senate, to reach that bi-partisan position.

The Grassley-Miller amendment allows us to accomplish the same things we have done for agriculture in the past three years, and also gives us the flexibility to write an outstanding farm bill that fits the need of our family farmers.

Now I want to mention one last point. Remember the crop insurance legislation that we passed last year?

Two years ago we provided budget authority for crop insurance and the Agriculture Committee couldn't pass a bill out. The next year Senator ROBERTS and Senator Bob Kerrey found middle-ground and developed a bipartisan, broadly supported crop insurance bill. The problem was it didn't fit the number that we had provided in the Budget. When the Agriculture Committee came back to the Budget Committee and explained the dilemma, Chairman DOMENICI, Senator CONRAD, and myself provided flexibility in the budget to accommodate the legislation.

Let me offer this thought: If the Agriculture Committee finds a bipartisan position that widely accepted as the right thing to do, in a similar fashion to the crop insurance legislation, we will work on providing more flexibility, but for now let's start here.

Mr. COCHRAN. Mr. President, I support the Grassley amendment. This amendment will provide an additional $63.5 billion to the baseline for Commodity Credit Corporation mandatory payments to farmers. This will allow the authorizing committee to write a comprehensive farm bill that will cover major commodities in addition to livestock and specialty crops, rural development, trade, and conservation initiatives.

Conditions in agriculture are not improving. In fact, according to the U.S. Department of Agriculture, the agriculture community will be facing persistently low prices and depressed farm income this year, and possibly the next. This amendment provides an additional $5 billion in fiscal year 2001 for supplemental support that is needed by farmers.

Should farmers need additional assistance in the fall, this amendment also provides for $7.35 billion in fiscal year 2002 that could be used for this crop year.

Again, I support this amendment because it provides additional funding needed by farmers this crop year. It also provides a significant level of agricultural funding in the out years to provide effective and predictable financial support.

Mr. KOHL. Mr. President, I rise today to express my deep disappointment at the failure of Senator JOHNSON's amendment to H. Con. Res 83, the fiscal year 2002 budget resolution. On behalf of the farmers in my State and throughout the country I supported this amendment which would have provided additional economic assistance to producers who continue to face depressed commodity prices and increased fuel and energy costs. Last year, Congress provided a total of approximately $30 billion in total farm spending. Nearly $11 billion of the $30 billion total either carried an emergency designation or was in addition to the spending set forth in the 1996 Freedom to Farm Act. Without these additional funds, we would have witnessed greater numbers of bankruptcies and foreclosures across rural America. We would have witnessed greater economic tragedy in a rural economy that has already suffered too much loss.

The Johnson amendment would have provided $9 billion this year, and similar levels of funding in future years, to continue to meet the real needs of a struggling agricultural sector. Unfortunately, a slim majority of the Senate rejected the amendment choosing to protect a massive $1.6 trillion tax rather than provide adequate assistance for rural America.

I have heard from producers throughout Wisconsin on the difficulties facing the agriculture industry, and more specifically the dairy industry. In dairy, milk prices have hovered around record low levels, as we continue to lose our producers at an alarming rate. We also continue to see dramatic increases in imports of the milk protein concentrates that displace milk produced by American farmers. Last year, Congress approved $667 million in emergency, direct payments to dairy producers to help them remain in business. And a similar amount, or more, will be needed this year to counter what the U.S. Department of Agriculture predicts will be another year of low prices.

I agree with those in this body who complain that year after year of ad hoc emergency agriculture spending is irresponsible and wasteful. I agree with the dairy farmers who would rather have a fair chance to compete than a government handout. We need to re-write the farm bill in a manner that provides adequate and market-oriented support to our farmers and ranchers who continue to produce the safest and most abundant supply of food and fiber in the world. And in the context of that re-write, the Agriculture Committee must enact a national dairy assistance program, a program that allows the competitive family farms of the Midwest to continue to produce and sell their quality product and to support their families, farms and communities with the proceeds.

The levels of spending for agriculture allowed in this budget, as amended by Senator GRASSLEY, are better than where we started: with no provision for responding to the farm crisis this year. However, I am concerned that even the increases now called for in the budget will not be enough to meet the continuing and real needs of the farm economy. And I am equally concerned that, if the Appropriations Committee responds to this shortfall with emergency spending, the White House will not agree. In other words, the Agriculture Appropriations Subcommittee, of which I am the ranking member, and of which my good friend from Mississippi, Senator COCHRAN is the chairman, may not be able to keep the struggling agricultural sector from seeing a real cut in federal funds this year.

I hope that my concerns are misplaced. I hope commodity prices rebound, our farmers experience a good year, and our the Agriculture Committee completes a farm bill that adequately supports rural America with the limited resources provided in this budget. I look forward to working toward that end, and hoping for that end, with Chairman LUGAR and Ranking Member HARKIN on the Senate Agriculture Committee and Chairman COCHRAN and our other Agriculture Appropriations Subcommittee members.

Mrs. LINCOLN. Mr. President, as we consider the budget resolution for fiscal year 2002, I am offering an amendment to provide security for our Nation's farmers and rural communities.

I was disappointed earlier today when we considered the amendments on Agriculture spending.

Those of us from rural areas have always been able to put partisanship aside for one fundamental reason an overriding concern about family farms and rural America. Yet, this institution approved an amendment that provides less than half of the assistance that was delivered to our farmers last year. Half!

I can't believe that my colleagues would kick the farmer when he's down, but that is exactly what they have done by approving this amendment. Crop prices are still at record lows while input costs, such as fertilizer and energy prices, are skyrocketing.

I don't understand how they can justify offering less assistance this year. We have got to address the needs of our farmers today or we will be importing our food from foreign countries tomorrow.

Twenty farm and commodity groups, as well as 32 conservation, religious and environmental groups, have written to the Senate Budget Committee asking for additional spending for agriculture programs. The amount they request is the amount that I am seeking today, $9 billion for emergency funds in 2001 and $12 billion per year for long term assistance.

These groups include the American Farm Bureau, the National Cotton Council, Defenders of Wildlife, The National Cattlemen's Beef Association, the National Milk Producers Federation, and the National Farmers Union, among many, many more.

This country needs a wake-up call! Americans believe that their bacon, lettuce and tomatoes are raised somewhere in the back of the local grocery store.

As the daughter of a seventh generation farm family in Helena, AR, I know where our food supply is produced. It's grown in rural communities by families working from dawn until dusk to make ends meet.

I would like to share with my colleagues a letter that I received recently from one of my constituents.

The letter reads:

My husband and I have one child. We farm 600 acres of rice and soybeans. Three people, 600 acres—that should translate into a very lucrative living, but it doesn't. For us, it

translates into a financial struggle year after year. It translates into a husband, the family provider, who has become so frustrated and discouraged that he needs counseling and medication for depression. It translates into a wife who holds her breath every time the tractor breaks down for fear there won't be enough money for repairs. It translates into a child who is disappointed she can't participate in after-school sports because extra trips to school means extra high-priced gasoline for the car!

We, the American farm family, once felt pride in our occupation. We had a sense of independence and self-sufficiency. Each spring brought renewed hope for a productive season and a bountiful harvest.

Now our hope lies with the bankers who make crop loans and the government who issues supplemental income payments. And there is no pride in having to ask for either one. But for the sake of the families, the very foundation of the agricultural industry, I ask that you give immediate, deliberate attention to our crisis.

Unfortunately this letter is not unique. I have a stack of letters in my office right now from hundreds of Arkansas farm families and they all share the same message—help us, please.

Unfortunately, too many in Washington continue to pay lip-service to our Nation's agricultural producers without actually providing them the tools and assistance they need to sustain their way of life.

Our agricultural communities are hurting. Commodity prices are at record lows, and input costs including fertilizer, energy, and fuel are at record highs.

No corporation in the world could make it today receiving the same prices it received during the Great Depression, yet, we are asking our farmers to do just that.

The American farmer is the most efficient in the world. Yet they are forced to compete with farmers whose countries subsidize their cost of production.

The family I referenced earlier is not competing with their neighbors, or with farmers from across the river. They are competing with farmers from the European Union, Japan, and Brazil, among others, who annually prop their farmers up with subsidies that make the United State's support look like pocket change.

In recent years Congress has recognized that farmers are suffering and delivered emergency assistance to our struggling ag community.

Arkansas' farmers could not have survived without this help. Nearly 40 percent of net farm income came from direct Government payments during the 2000 crop year.

The trouble with this type of ad hoc approach is that farmers and creditors across the country never really know how or when the government is going to step in and help.

Many of my farmers are scared to death that the assistance they have received in the past will be absent this year because the tax cut and other spending programs have a higher priority.

This amendment will provide the security and certainty farmers need for the future.

The Agriculture Committee needs this authority if we are going to adequately develop both a multi-year and multi-title farm bill.

Forcing Agriculture to compete with defense and other needs out of a catch all ''contingency fund'' does not do our farm families justice.

They are the backbone of this Nation and they deserve better than that.

What is it going to take to get America's attention on the plight of agriculture?

If we don't keep our domestic industry viable and in business, who will grow our food?

Does this institution really want to rely on other countries for its food supply? I, for one, do not.

What in the world would we do if we were relying on Europe for our beef? Or China for our rice? How about South America for those vegetables in your baby's food?

If we can agree that domestic energy production is one key to our economic independence and national security, then isn't domestic agricultural production at least as important?

This country needs to wake up and realize that we are producing the safest, most affordable, and most abundant food supply in the world.

The question for everyone here is, are we going to do what it takes to keep this industry alive? I certainly hope so.

I encourage you to demonstrate your support for rural America by voting with me to ensure that adequate funding will be available to write the next farm bill.

I ask unanimous consent that two letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEBRUARY 21, 2001.

Hon. PETE DOMENICI,
Chairman, Senate Budget Committee, Washington, DC.
Hon. JIM NUSSLE,
Chairman, House Budget Committee, Washington, DC.
Hon. KENT CONRAD,
Ranking Member, Senate Budget Committee, Washington, DC.
Hon. JOHN SPRATT, Jr.,
Ranking Member, House Budget Committee, Washington, DC.

DEAR GENTLEMEN: Recently, you received a copy of a letter we sent to the Chairmen of the Senate and House Agriculture Committees requesting their help in providing significant additional funding for agriculture over the next ten years. Since that time, we have continued to monitor and evaluate the pressing needs facing agriculture and write today to share our further considerations and conclusions with you.

We wish to reiterate our strong belief that agriculture will again need additional emergency assistance in FY2001. While we seek passage of a new Farm Bill at the earliest opportunity, it appears unlikely that a bill could be in place in time to impact producer decision-making for the 2002 crop year. If that is indeed the case, farmers and ranchers will likely need emergency assistance in FY2002 as well.

Congress should approve $9 billion in emergency economic assistance for FY2001 as soon as possible. Delaying this work only harms those producers who are unable to obtain production financing without at least some signal that Congress will approve additional assistance.

In addition, we want to stress the importance of including additional agricultural budget authority for each of the years remaining in the Budget Resolution (FY2003–FY2011) to avoid continued requests for ad hoc assistance packages.

We believe that Congress needs to consider at least $12 billion per year in additional funding needs for each of the remaining years of the Budget Resolution. Such a commitment would provide the necessary funds to cover the options currently being evaluated by the Senate and House Agriculture Committees as essential elements of the new Farm Bill. These include:

A fixed payment for program commodities (such as the current AMTA and oilseed payments);

Rebalancing in the Marketing Assistance Loan program;

A counter-cyclical assistance program;

Export programs;

Conservation incentive programs;

Assistance to livestock and crop producers for compliance with environmental and regulatory requirements;

Research; and

Assistance for non-program crop commodities.

We understand that this request entails a significant increase in spending on agricultural programs. However, we strongly believe that this level of investment in agriculture is critical to both the short-term and long-term health of American agriculture.

Sincerely,

Alabama Farmers Federation, American Farm Bureau Federation, American Soybean Association, American Sugar Alliance, National Association of Wheat Growers, National Barley Growers Association, National Cattlemen's Beef Association, National Corn Growers Association, National Cotton Council, National Farmers Union, National Milk Producers Federation, National Pork Producers Council, National Sunflower Association, National Turkey Federation, Southern Peanut Farmers Federation, US Canola Association, US Rice Producers Association, USA Dry Pea & Lentil Council, USA Rice Federation, Wheat Export Trade Education Committee.

AMERICAN FARM BUREAU FEDERATION,
Washington, DC, April 4, 2001.

Hon. BLANCHE LINCOLN,
U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR LINCOLN: Thank you for offering an amendment to the FY '02 Budget Resolution securing $9 billion for emergency economic assistance for farmers and ranchers this year, and providing for an additional $12 billion in each year 2002–2011. The American Farm Bureau Federation supports your proposal as a stand-alone amendment to Chairman Domenici's budget resolution.

The current financial stress in U.S. agriculture is extraordinary and conditions are not expected to appreciably improve in the near future. The level of additional funding provided by your amendment is the same level of additional assistance the American Farm Bureau Federation Board of Directors concluded would be adequate to allow the Agriculture Committee to write multi-year, comprehensive farm policy. Such additional

funding is needed for future farm policy initiatives to provide more certainty for farmers and ranchers rather than year-by-year emergency ad hoc assistance.

Farmers and ranchers clearly prefer receiving their income from the market. However, federal assistance will likely be necessary until such time as market conditions improve.

Again, we appreciate your efforts, to secure additional funding for agriculture.

Sincerely,

BOB STALLMAN,
President.

The PRESIDING OFFICER. Who yields time?

If neither side yields time, time will be charged equally.

Mr. DOMENICI. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes 27 seconds on the amendments.

Mr. DOMENICI. Five minutes. How much time do they have?

The PRESIDING OFFICER. The Senator from North Dakota has 9 minutes 36 seconds on the amendments.

Mr. DOMENICI. Mr. President, I wonder if the Senator is going to use up some of his time. I would like to make a few remarks at the end.

Mr. CONRAD. Mr. President, while we are waiting—we had a Senator call and request time, so we will wait for that Senator. I hope to give her time. I see her entering the Chamber now.

Let me go back to the point I was making earlier because I think it is critically important for our colleagues to understand. I think everybody knows that this Senator is strongly supportive of additional resources for agriculture. We have an amendment that does that in a straightforward way without taking money from trust funds, the Johnson amendment.

The problem is the Grassley amendment we will vote on first, which provides less of an increase in agriculture and does it in a way that invades the trust fund of Medicare in the years 2005, 2006, 2007, and 2008. I don't believe that is the way we want to fund additional resources for agriculture. That would be a serious mistake.

It is very clear. If one looks at the Republican budget and the Grassley prescription drug amendment that passed yesterday, and then the Grassley agricultural amendment that is pending, and looks at the year-by-year totals, one sees they are raiding and invading the Medicare trust fund in the year 2005 by $15 billion, they are raiding the Medicare trust fund in the year 2006 by $13 billion, they are raiding the Medicare trust fund in the year 2007 by $10 billion, they are raiding the Medicare trust fund in the year 2008 by $4 billion. That is a total of $42 billion taken out of the Medicare trust fund. I don't think that is the way to fund agriculture or anything else. Colleagues should be aware of what they are voting on and what the effect would be.

Mr. President, what is the time remaining on our side?

The PRESIDING OFFICER. The time remaining is 6 minutes 57 seconds.

Mr. CONRAD. I ask the Senator from Michigan if she would like time.

Ms. STABENOW. I would.

Mr. CONRAD. How much time would the Senator like?

Ms. STABENOW. Five minutes.

Mr. CONRAD. I yield 5 minutes to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Mr. President, I appreciate the diligence of my distinguished colleague from North Dakota and his effective advocacy and hard work on the budget resolution. We have people on both sides of the aisle who are working hard to put together a vision and a framework for the next year and beyond, up to 10 years, for our country—what are our values, what are our priorities.

Again, we have a discussion about our priorities for the country, and we are focused on a very important part of our economy, an important part of the economy of Michigan. With my great State of Michigan, everyone thinks of automobiles. In fact, we have, in addition to a vibrant manufacturing economy, one of the strongest agricultural economies in the United States and, in fact, in the world. Next to California, we produce more diverse crops than any other State in the Union. We are very proud of that.

My concern is that in Michigan, as in all of our States, we are seeing farmers in great trouble. As I have been here only 4 years in the House of Representatives on the Agriculture Committee and now in the Senate on the Agriculture Committee, I hear from my family farmers, my producers, about how they are working harder, they are producing more, and their paycheck is less; their prices go down. Every year I have been here, we have, in fact, passed an emergency supplemental to help our farmers.

My concern about this budget resolution is that we do not guarantee we will build in the resources for the farm bill we are now working on in the Agriculture Committee and the needs of agriculture over the next 10 years.

We have two approaches in front of us this morning. I am sure they are sincere approaches by colleagues. One I believe is the right direction; one I believe is the wrong direction.

The right direction is the Johnson amendment that will guarantee we are putting aside dollars, $9 billion this year, in order to have an emergency response if we need it before the farm bill is in place, and then $8 billion a year to guarantee we are addressing a wide variety of needs, whether it is conservation, our crop insurance system, the specialty crops in Michigan that are so important, that we need to address in the farm bill. All the areas that need to be addressed in the farm bill—rural development, research extension—are important priorities for the country.

We have a stake in making sure that agriculture is strong in our country. The only way to guarantee that is to pass the Johnson amendment so we clearly state that agriculture is a part of the budget vision for the next 10 years.

My concern about the Grassley amendment, while I am sure it is well intended, is as we discussed last evening: By choosing to go again to the contingency fund for any dollars being proposed, what we are doing is effectively raiding the Medicare trust fund. One of the priorities of the country, in addition to a tax cut, would be to make sure there is a small amount of dollars there, critical dollars, for our farmers, our agricultural producers, our ranchers across the country. The Johnson amendment will place agriculture as a priority.

Unfortunately, the Grassley amendment says we are going to dip into the contingency fund. We heard about that yesterday, and we will hear about it until this budget resolution passes. We will hear: Don't worry about it; the contingency fund will take care of it. Don't worry about it; the contingency fund is there, rather than specifically laying out the priorities of the country. When we look at what that contingency fund is, it is the Medicare trust fund.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Ms. STABENOW. I urge adoption of the Johnson amendment and a ''no'' vote on the Grassley amendment.

The PRESIDING OFFICER. Who yields time? Time will be charged equally against both sides.

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I apologize for the time that we didn't get into a quorum and were not doing any business. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes 18 seconds.

Mr. DOMENICI. Mr. President, I will wrap up.

I thank Senator GRASSLEY for taking the lead on this issue. Clearly, I thank Senator ZELL MILLER for being the prime cosponsor. For all those in the Senate who want a practical, responsible addition to the farm surplus, the farm program moneys over the next 10 years, this is the right amendment.

Let me make sure everybody understands right off the bat there is one very big distinction, and that is, once again, in order to spend more on a program, the other side of the aisle would take it out of the $1.6 trillion tax cut that is planned in this budget resolution. If we start down that road for each major amendment, the way we fund it is to take money out of what the people were going to get in tax cuts, then Katie bar the door. Where do we end up? Enough said about that. That is a very big difference. We do not take this money to pay for this program, the Grassley-Miller amendment, out of the tax cuts that are going to the American people.

Essentially this program will cost $59 billion over the decade, with about $5

billion of it going into this year and the balance going into the remaining 10 years. It sends the money to the function called agriculture, wherein it awaits a farm bill that has that much latitude without taking money from any other parts of the budget or becoming subject to a point of order.

Is that enough? According to the experts we have who put this together, clearly if you are going to put together something practical, pragmatic, not trying to get more than you need, not trying to push other things out but, rather, recognizing agriculture's appropriate place among myriad very important programs, then this is a good amendment.

Clearly, the $63.5 billion that is in this bill, including the first year—the year we are in—you add it to the base in this budget and the supports for agriculture amount to—let me repeat this number—$157 billion. That is the kind of support that comes from distinguished Senators who know agriculture, such as Senator GRASSLEY and Senator MILLER.

You know, enough is enough. The other side would have us spend $97 billion over that same period of time. I submit for all Senators to consider, that is just more than enough. That is sort of asking all the rest of the American taxpayers and all of those expecting to get a tax cut—that is saying to them, all of your claims are second rate to an exorbitant agricultural bill. I say that because I depend upon people such as CHUCK GRASSLEY, from an agricultural State, still a farmer, who understands all of these issues intimately. He submits this measure to the Senate as rational, reasonable, and enough money to be sent to the Agriculture Committee upon which a new agricultural bill can be drawn.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 1 minute 37 seconds.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Senators HAGEL and HUTCHINSON be added as cosponsors.

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

Mr. CONRAD. Mr. President, I ask unanimous consent that Senator BAUCUS and Senator DAYTON be shown as cosponsors of the Johnson amendment.

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

Mr. CONRAD. Mr. President, I want to enter into the RECORD letters from Senators requesting approximately $10 billion a year to be added over this 10-year period to the support for agriculture. This is a letter from 44 Senators, including 19 Republicans, asking for an amount of money—actually asking for somewhat more than is in the Johnson amendment.

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

U.S. SENATE,
Washington, DC, March 30, 2001.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

Hon. KENT CONRAD,
Ranking Member, Committee on the Budget, Washington, DC.

DEAR CHAIRMAN DOMENICI AND SENATOR CONRAD: We request that at least $10 billion in emergency economic assistance for agriculture for the 2001 crop year be included in the fiscal year 2002 budget resolution. We also ask that the budget resolution contain an increase in the annual baseline spending for agriculture for subsequent crop years by at least $12 billion over fiscal years 2002–2011.

Economic forecasts for agriculture remain bleak for the 2001 growing season and beyond due to the continuation of collapsed commodity prices, while input costs—most notably fuel and fertilizer—skyrocket. We believe that Congress must continue to support agriculture in order to prevent massive farm failures, which would cripple rural America's economy and could further dampen the general economy. We cannot allow this to happen, especially during this time of national economic uncertainty.

As you know, the funds devoted to agriculture in the fiscal year 1997 budget were cut substantially to help reduce our nation's ballooning deficits. The farm bill enacted in 1996 was therefore insufficient to fully address the last three years of collapsed commodity prices and weather disasters. Consequently, Congress has been forced to provide approximately $25 billion in emergency aid to Agriculture since 1998.

We believe the budget resolution must allocate a level of funding adequate for Congress to write a new farm bill that meets the needs of farmers and insures the future of our rural communities. Producers should not be held hostage to the unpredictability of politics and annual ad hoc payments.

Finally, we wish to go on record as supporting the position already taken by our colleagues—Senators Cochran, Hutchinson, Breaux, Landrieu, Bond, Sessions, Lincoln, Shelby, Bunning, Helms, McConnell, Craig, Cleland, Inhofe, Thurmond, Fitzgerald, Miller, Frist, Thomas, Hutchison and Hagel—on this issue in their letter dated March 13, 2001.

We thank you for your attention to this issue.

Sincerely,

Byron Dorgan, Conrad Burns, Tom Daschle, Mike Enzi, Tom Harkin, E. Ben Nelson, John Edwards, Dick Durbin, Mark Dayton, Max Baucus, Jay Rockefeller IV, Tim Johnson, Carl Levin, Patty Murray, Patrick Leahy, Debbie Stabenow, Maria Cantwell, Ron Wyden, Herb Kohl, Jean Carnahan, Evan Bayh.

Mr. CONRAD. I also ask unanimous consent that this letter be printed in the RECORD. It is a request to Senator DOMENICI from Southern Senators, Republicans and Democrats, for an amount of money that is actually in the Johnson amendment.

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

U.S. SENATE,
Washington, DC, March 13, 2001.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR PETE: We are writing to request your assistance in including appropriate language in the FY02 budget resolution so that emergency economic loss assistance can be made available for 2001 and 2002 or until a replacement for the 1996 Farm Bill can be enacted. Specifically, since conditions are not appreciably improved for 2001, we support making market loss assistance available so that the total amount of assistance available through the 2001 Agricultural Market Transition Act payment and the Market Loss Assistance payments will be the same as was available for the 2000 crop. We understand it is unusual to ask that funds to be made available in the current fiscal year be provided in a budget resolution covering the next fiscal year, but the financial stress in U.S. agriculture is extraordinary.

According to USDA and other prominent agriculture economists, the U.S. agricultural economy continues to face persistent low prices and depressed farm income. According to testimony presented by USDA on February 14, 2001, ''a strong rebound in farm prices and income from the market place for major crops appears unlikely . . . assuming no supplemental assistance, net cash farm income in 2001 is projected to be the lowest level since 1994and about $4 billion below the average of the 1990's.'' The USDA statement also said . . . ''(a) national farm financial crisis has not occurred in large part due to record government payments and greater off-farm income.''

In addition to sluggish demand and chronically low prices, U.S. farmers and ranchers are experiencing rapidly increasing input costs including fuel, fertilizer and interest rates. According to USDA, ''increases in petroleum prices and interest rates along with higher prices for other inputs, including hired labor increased farmers' production expenses by 4 percent of $7.6 billion in 2000, and for 2001 cash production expenses are forecast to increase further. At the same time, major crop prices for the 2000–01 season are expected to register only modest improvement from last year's 15–25 year lows, reflecting another year of large global production of major crops and ample stocks.''

During the last 3 years, Congress has provided significant levels of emergency economic assistance through so-called Market Loss Assistance payments and disaster assistance for weather related losses. During the last three years, the Commodity Credit Corporation has provided about $72 billion in economic and weather related loss assistance and conservation payments. The Congressional Budget Office and USDA project that expenditures for 2001 will be $14–17 billion without additional market or weather loss assistance. With projections that farm income will not improve in the near future, we believe it is vitally important to provide at least as much total economic assistance for 2001 and 2002 as was provided for the 2000 crop.

Congress has begun to evaluate replacement farm policy. In order to provide effective, predictable financial support which also allows farmers and ranchers to be competitive, sufficient funding will be needed to allow the Agriculture Committee to ultimately develop a comprehensive package covering major commodities in addition to livestock and specialty crops, rural development, trade, and conservation initiatives. Until new legislation can be enacted, it is essential that Congress provide emergency economic assistance necessary to alleviate the current financial crisis.

We realize these recommendations add significantly to projected outlays for farm programs. Our farmers and ranchers clearly prefer receiving their income from the market. However, while they strive to further reduce costs and expand markets, federal assistance will be necessary until conditions improve.

We appreciate your consideration of our views.

Sincerely,

Thad Cochran, John Breaux, Tim Hutchinson, Mary Landrieu, Kit Bond, Jeff Sessions, Blanche Lincoln, Richard Shelby, Jim Bunning, Jesse Helms, Mitch McConnell, Larry Craig, Max Cleland, James Inhofe, Strom Thurmond, Peter Fitzgerald, Zell Miller, Bill Frist, Craig Thomas, Kay Bailey Hutchison, Chuck Hagel.

Mr. CONRAD. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Senator CRAPO asking for an amount of money actually somewhat more than is in the Johnson amendment.

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

U.S. SENATE,
Washington, DC, March 28, 2001.

Hon. KENT CONRAD,
Ranking Member, Committee on the Budget, Washington, DC.

DEAR SENATOR CONRAD: I write to request your assistance in including flexibility in the Fiscal Year 2002 budget resolution to address the needs of America's agricultural community. The budget resolution should provide for emergency economic assistance for agricultural producers until the next farm bill can be enacted. Additionally, adequate baseline funding for agriculture needs is vital.

The U.S. agricultural economy continues to face persistent low prices and low farm income. A rebound is unlikely in the near future. In fact, U.S. net farm income is expected to drop 9 percent in 2001. Recognizing the importance of a safe, affordable, and abundant domestic food supply. Congress has provided producers with supplemental farm assistance for the last three years. This assistance has been vital to operator viability. Although our farmers and ranchers would prefer to receive their income from the market, they are facing desperate times. While they work to reduce costs and expand markets, we must do what we can to assist them. Supplemental support should continue until Congress enacts a new farm bill and flexibility to provide this funding should be included in the budget resolution.

As a new farm bill is developed, it is also important that we increase the baseline for agriculture related budget functions. In addition to the demands of the commodity programs, current funding levels do not reflect the growing need for increased market access, conservation, research, and rural development funding.

In a global economy, agricultural profitability is tied to foreign markets. Trade is critical to the future of agriculture. It must be free and fair, unfortunately, at this time we have neither. Increases in the budget will allow for additional funding for market access programs, while barriers are reduced and inequities addressed.

America's farmers are working to meet increasing environmental regulations and reach their own stewardship goals. It is important that we provide them with funding to meet the demand for clean air and water, wildlife habitat, and open spaces. Increasing the natural resources and environment baseline will provide producers the technical and financial assistance necessary to allow them to succeed and remain good stewards of the environment.

Increasing the agricultural baseline will also allow us to support important research efforts. America's farmers and ranchers are the most efficient in the world. Agricultural research is vital to maintaining and building upon efficiencies, improving profitability, protecting the environment, developing new markets and uses, and addressing emerging issues.

The rural development programs administered through the U.S. Department of Agriculture are also important. Rural economic development programs are increasingly valued in rural America. In light of a distressed agricultural economy and declining resource industries, these programs are urgently needed. Additionally, infrastructure needs in rural areas are high and increasing federal mandates add to these costs. Rural development programs are helpful to rural communities trying to comply with the disproportionate costs of federal mandates.

Adequate steps should be taken to ensure these essential programs are funded. I am confident that the budget resolution can provide flexibility for emergency economic assistance and increase baselines in a fiscally-responsible manner. Please rest assured that I remain committed to a balanced budget and will work with the Committee to prioritize competing needs.

Thank you for your consideration of this request.

Sincerely,

MIKE CRAPO,
U.S. Senator.

Mr. CONRAD. Mr. President, the question of the amount of money is guided by what our competitors are doing. The Europeans, who are our major competitors, are outspending us by a very wide margin. The amount of money in the Johnson amendment is intended to approach what our major competitors are doing. It doesn't equal them, but it is to at least give our farmers a fair, fighting chance.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. DOMENICI. Mr. President, I yield 5 minutes of the remaining time to Senator GRAMM.

The PRESIDING OFFICER. The Senator from Texas is recognized for 5 minutes.

Mr. GRAMM. Mr. President, I thank Senator DOMENICI for yielding.

Let me first say to my colleagues that I have concerns with both of these amendments. We should wait until the new farm bill is written before budgeting money to spend on agricultural programs over the next 10 years.

Our colleague from North Dakota talks about how much the Europeans spend subsidizing production and exports and then holds that out as a standard for something we should be doing. His argument basically is to imitate the worst, most inefficient farm program in the history of the world—a program that would make a commissar from the old Soviet Union have an uneasy stomach.

I am going to vote for the Grassley-Miller amendment for a very simple reason; that is, it provides funds in the budget for this year and sets out an expectation of funding over the next ten years, while allowing us to write a farm bill and determine what is really needed in order for rural America to prosper. Of the two approaches, the Grassley-Miller amendment is by far the more rational option.

The alternative that is presented by Senators Johnson and Conrad would simply create a $97 billion entitlement, put on automatic pilot, massive government spending, when we haven't even written a new farm bill. No logic whatsoever exists to support such an amendment.

The only purpose of the amendment is to take $97 billion away from the tax cut. So what this amendment really does is reduce the tax cut, which means either we aren't going to repeal the death tax, or we are not going to repeal the marriage penalty, or we are not going to double the child credit exemption, or we are not going to reduce rates. Instead, this amendment takes $97 billion away from the tax cut and creates an entitlement before we have even written a farm bill.

So this may be disguised as an agricultural amendment, but this is really an amendment to reduce the tax cut.

I hope my colleagues will vote for the Grassley-Miller amendment. It sets out funding for this year, to address real problems in agriculture, it provides a projected level of funding for the next 10 years, and it allows us to write a new farm bill.

How are we going to write a rational farm bill if we have already committed to an entitlement of almost $100 billion? Does that make any sense whatsoever? The answer is no. The Johnson-Conrad amendment should be rejected.

I urge my colleagues, especially those who are inclined to vote against both amendments to support the Grassley-Miller amendment—life is about choices, and we have a very big evil here in the Johnson-Conrad amendment. I suggest we go with the Grassley-Miller alternative in order to provide funding that we know we are going to need this year to address current problems in agriculture—it would be better to do it through the normal process under an emergency designation, but that is not the choice. Then we can write a farm bill, and, having a farm bill before us, we can make a rational decision about how much money we need for the future. It may be less than $97 billion; it may be more than $97 billion. But the idea of committing money in the year 2001 in an entitlement, when we have not even written a farm bill, really insults our intelligence.

I urge my colleagues to vote for the Grassley-Miller amendment and to vote against the Johnson-Conrad amendment. I think this is an important issue. If we adopt the Johnson-Conrad amendment, we are going to set a precedent that indicates we are not necessarily interested in farm policy, we are just interested in a bid to reduce the tax cut in order to fund a program which has yet to be devised.

So I want everybody to remember, if you vote for the Johnson amendment, you are taking money out of repealing the marriage penalty, or doubling the dependent exemption for children, or repealing the death tax, or reducing

rates. It has to come from somewhere. I urge my colleagues to support the Grassley-Miller amendment.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, there are 2 minutes evenly divided before vote on the Grassley amendment.

Who yields time?

The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, the Senator from Texas makes a very interesting proposition. He said write a new farm bill and then decide on the budget.

That has it exactly backwards. That is not how we do business. We decide on a budget; then we write a farm program.

I also remind my colleagues that the amount of money being sought in the Johnson amendment is the amount of money we have had each of the last 3 years to cope with this farm crisis—the lowest prices in 75 years. That is the basis of the calculation of the need.

The amendment of the Senator from Iowa restricts us to far less than we have had each of the last 3 years to meet this farm crisis. It is also true that our major competitors are outspending us 10 to 1 in support for their producers and are outspending us 30 to 1 in export assistance. It is no wonder our farmers do not have a level playing field.

Finally, the Grassley amendment raids the Medicare trust fund to support the additional resources for agriculture. That is a mistake.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I have 1 minute?

The PRESIDING OFFICER. Yes, 1 minute.

Mr. DOMENICI. Mr. President, frankly, I do not have a lot more to say. It seems as if we are adopting a policy of, if we have any time, we ought to use it, so I am going to use it.

I remind everyone, if they want a farm bill that adds substantial money to the program over the next decade, it is my recommendation they vote for the first amendment, the one Senator GRASSLEY has put together with ZELL MILLER. If my colleagues do not, we will have no agricultural bill, it seems to me, looking at how things are.

For those who do not want to vote for the Grassley-Miller amendment and hold out, just remember: You may get no agricultural bill if you do that. The better approach is in the Grassley amendment. I believe it is fair; it is reasonable; it is rational. And clearly a new farm bill built around these numbers might, indeed, pass the Congress. If my colleagues think they are going to pass one with much more than that, they are just dreaming. I yield the floor.

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. CONRAD. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to amendment No. 174. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 51, nays 49, as follows:

[Rollcall Vote No. 67 Leg.]

YEAS—51

Allard	Fitzgerald	Miller
Allen	Frist	Murkowski
Bennett	Gramm	Nickles
Bond	Grassley	Roberts
Brownback	Gregg	Santorum
Bunning	Hagel	Sessions
Burns	Hatch	Shelby
Campbell	Helms	Smith (NH)
Chafee	Hutchinson	Smith (OR)
Cochran	Hutchison	Snowe
Collins	Inhofe	Specter
Craig	Jeffords	Stevens
Crapo	Kyl	Thomas
DeWine	Lott	Thompson
Domenici	Lugar	Thurmond
Ensign	McCain	Voinovich
Enzi	McConnell	Warner

NAYS—49

Akaka	Dodd	Lieberman
Baucus	Dorgan	Lincoln
Bayh	Durbin	Mikulski
Biden	Edwards	Murray
Bingaman	Feingold	Nelson (FL)
Boxer	Feinstein	Nelson (NE)
Breaux	Graham	Reed
Byrd	Harkin	Reid
Cantwell	Hollings	Rockefeller
Carnahan	Inouye	Sarbanes
Carper	Johnson	Schumer
Cleland	Kennedy	Stabenow
Clinton	Kerry	Torricelli
Conrad	Kohl	Wellstone
Corzine	Landrieu	Wyden
Daschle	Leahy	
Dayton	Levin	

The amendment (No. 174) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 176

The PRESIDING OFFICER (Mr. BUNNING). Under the previous order, there will now be 2 minutes of debate prior to the vote on or in relation to the Johnson amendment.

Mr. CONRAD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his inquiry.

Mr. CONRAD. How much time was consumed on the last vote?

The PRESIDING OFFICER. Fifty minutes.

Mr. CONRAD. Fifty minutes. I thank the Chair.

Mr. President, we have just passed, after a 50-minute vote, a measure that raids the Medicare trust fund in the years 2005, 2006, 2007, and 2008 to the tune of $42 billion. That is what the amendment just passed does. It raids the Medicare trust fund in each and every one of those years to supply more resources to agriculture.

This amendment provides additional resources to agriculture, but it does it the right way. It doesn't touch any of the trust funds. It doesn't touch the Social Security trust fund. It does not touch the Medicare trust fund. It funds the money out of the tax cut.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank all Senators who supported the Grassley amendment.

Now we consider another amendment. For those who are worried about how much we are going to spend on agriculture, this amendment would increase the spending on agriculture to a total of $98 billion, all of which will come out of the taxes we intend to give back to the American people.

We have done the numbers. We don't touch the Medicare trust fund. I will give Senators the numbers. The total contingency fund is 845. Take off the Medicare trust fund, you have 453 left. Of that, the Grassley amendment uses $59 billion. We don't touch Medicare in any year, nor do we touch it over the 10 years. Actually, I believe we have done the right thing.

We ought to turn this amendment down. We have had a good vote. We ought to leave it as a good vote and make sure that what is passed is what we do for agriculture. Mr. GRASSLEY, who knows more than the average Senator, put this together with the distinguished Senator from Georgia. They worked hard on it. It is a good amendment. Thanks for adopting it.

Don't undo what you did by voting for the pending amendment.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 176.

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

The PRESIDING OFFICER. Is there a sufficient second?

There seems to be a sufficient second. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 47, nays 53, as follows:

[Rollcall Vote No. 68 Leg.]

YEAS—47

Akaka	Dodd	Levin
Baucus	Dorgan	Lieberman
Bayh	Durbin	Lincoln
Biden	Edwards	Mikulski
Bingaman	Feingold	Murray
Boxer	Feinstein	Nelson (FL)
Breaux	Graham	Nelson (NE)
Byrd	Harkin	Reed
Cantwell	Hollings	Reid
Carnahan	Inouye	Rockefeller
Cleland	Johnson	Sarbanes
Clinton	Kennedy	Schumer
Conrad	Kerry	Stabenow
Corzine	Kohl	Wellstone
Daschle	Landrieu	Wyden
Dayton	Leahy	

NAYS—53

Allard	DeWine	Inhofe
Allen	Domenici	Jeffords
Bennett	Ensign	Kyl
Bond	Enzi	Lott
Brownback	Fitzgerald	Lugar
Bunning	Frist	McCain
Burns	Gramm	McConnell
Campbell	Grassley	Miller
Carper	Gregg	Murkowski
Chafee	Hagel	Nickles
Cochran	Hatch	Roberts
Collins	Helms	Santorum
Craig	Hutchinson	Sessions
Crapo	Hutchison	Shelby

Smith (NH)	Stevens	Torricelli
Smith (OR)	Thomas	Voinovich
Snowe	Thompson	Warner
Specter	Thurmond	

The amendment (No. 176) was rejected.

Mr. HARKIN. I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. HARKIN. Mr. President, I will shortly send an amendment to the desk that deals with education, which I think should be the No. 1 priority of this Congress. Quite frankly, the President has said it should be our No. 1 priority. The American people think it should be our No. 1 priority. Yet in the budget before the Senate, education is somewhere down towards the bottom. This amendment I will shortly send to the desk will move it up to the top tier.

Mr. BYRD. Will the Senator yield?

Mr. HARKIN. I am happy to yield.

Mr. BYRD. Does not the Senator believe that the administration's foremost priority is a $1.6 billion tax cut?

Mr. HARKIN. I will show that shortly on my charts.

Mr. BYRD. Very well.

Mr. HARKIN. I will absolutely show that is their top priority.

Mr. BYRD. I am waiting with bated breath.

Mr. HARKIN. I appreciate Senator BYRD bringing that up.

Our country was founded on an ideal that no matter who you are or the circumstances of your birth, no matter how much money your parents have or don't have, if you are willing to work hard, study, and get a good education, you can be a success. This is the American dream.

Unfortunately, the dream is slipping away. It is slipping because our classrooms are overcrowded, our schools are crumbling, and our students don't have the educational tools from preschool to college they need to learn. For years we have been nibbling around the edges for a solution; we tweak a program here, tweak another program there, but we have not made a real dent in education reform.

The fact is, now only 2 cents of every $1 is invested in education. That is not enough. Ask the constituents in Montana or Iowa, in any town meeting: Of every Federal dollar we spend, how much goes for education? Ask your constituents. I have gotten answers from 25 cents to 10 cents to 12 cents to 8 cents. I have never gotten the right answer, which is 2 cents. Two cents out of every Federal dollar that we spend goes to education. That just is not enough. It shows that education is not a top priority.

In this new century, we need a new plan for American education, a bold, daring plan to demand true accountability from our schools but also to provide the resources they need to meet the standards and to be held accountable. It is one thing to say you will hold the schools accountable but then you will not give them the resources. As my colleague and my chief cosponsor, Senator WELLSTONE, has said many times, you are setting them up for failure when you do that. If you want schools to be accountable—and we all do—we have to get them the resources they need.

We need to use our budget surpluses to prepare for the future by paying down the debt and investing in education. That is why, along with the many other Senators, I am proposing a plan to truly leave no child behind. Cosponsors of this amendment are Senators WELLSTONE, KENNEDY, MURRAY, BINGAMAN, CLINTON, DAYTON, ROCKEFELLER, CORZINE, MIKULSKI, REED of Rhode Island, REID of Nevada, SARBANES, KERRY, LANDRIEU, and DASCHLE.

We have heard a lot of talk about the importance of education. We have heard it from our President, President Bush. He said: ''My administration has no greater priority than education.'' That was during the swearing-in ceremony for Dr. Paige as the new Secretary of Education. I was there. I heard him say that. He also said: ''It's important for us to have the national goal of every child being educated in the best public school system possible on the face of Earth.'' That was President Bush on CNN Columbus, OH, February 20.

The President said there is no greater priority than education. Let's check the facts and look at the President's budget priorities about which Senator BYRD just spoke. Now we see reality versus rhetoric. The President said he wants to leave no child behind; he wants education to be the No. 1 priority; he wants our kids educated in the best public school system possible on the face of the Earth.

And here is the budget. The Bush tax cut for the wealthiest 1 percent, over 10 years, is $697 billion. Keep in mind this is for the wealthiest 1 percent. Bush's education plan is $21.3 billion over 10 years. What are the priorities? A tax cut for the wealthiest, $697 billion; education, $21.3 billion. The President's entire budget devotes $1.6 trillion of the surplus to tax cuts. Only $21.3 billion is for education. The tax cut that the President is proposing is 76 times greater than the investments he would provide for education. These are the wrong priorities. It is time to put the priorities right.

Our amendment will truly leave no child behind. The education plan we are sending to the desk in this amendment provides $250 billion in education over the next 10 years; the President's plan is $21.3 billion. Our investment is 12 times that proposed by the President but about one-third of what he wants to give in tax breaks to the wealthiest 1 percent of Americans. Let me repeat that: Our investment in this plan is about 12 times what the President wants to put in education over the next 10 years: $250 billion in our plan, $21.3 billion in the Bush plan. The $250 billion we have in our plan is still about one-third as much as the President wants to give to the wealthiest 1 percent of Americans. So our priorities are to put the money in education and not in tax breaks for the wealthiest.

This amendment will put the resources in place so we truly can hold schools and teachers accountable. We meet the following five goals by the end of this decade. The first goal is all children will start school ready to learn. If that sounds familiar, that is because that was the first goal set up by the Governors Commission which was headed by a Republican Governor, I might say, 11 years ago. So that ought to be the first national goal in education, to have all children ready and able to learn.

We know that a child who participates in Head Start is more likely to graduate from high school and less likely to end up in jail or on welfare. However, less than 70 percent of children eligible for Head Start are receiving it. Our amendment would fully fund the Head Start Program so every eligible 3- and 4-year-old child will get the services they need so they can start school ready to learn.

No. 2, all students will be educated by a highly qualified teacher in a classroom that is not overcrowded. Project STAR studied 7,000 students in 80 schools in Tennessee. They found students in smaller classes performed better. We know that. But now we have the data to show it. These students were less likely to drop out of high schools, more likely to graduate in the top 25 percent of their classes. Our amendment increases our investment in the Class Size Reduction Program to meet our goal of hiring 100,000 extra teachers in 2005, and to reduce class sizes in grades 1 through 3 to no more than 18 children.

Our amendment would also provide a fourfold increase in professional development to provide our teachers with the opportunity to acquire the knowledge and skills they need. We hear a lot of talk about improving reading skills. If you want to improve reading skills, get smaller class sizes so the teachers can work with the students.

I yield what time he may want to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I thank the Senator from Iowa for his courtesy. I appreciate it.

The Senator from Iowa has laid out some figures. I am going to try to do this a different way.

This is called the leave-no-child-behind amendment. I had a chance to visit with some students from St. Cloud, MN. Right now there are not many Senators in the Chamber, so we are just laying out the amendment. There will be plenty of debate about this because there comes a point in time where you have to back up your words with the resources.

I say to the Senator from Iowa, I am very proud to introduce this amendment with him and to be a chief cosponsor of this amendment. For me, this is what this debate is all about. This is a values question.

I have said it on the floor before, and I am going to say it one more time. When the Senator from Iowa talked about Head Start, making sure that children are kindergarten ready, he made the point that kids who are kindergarten ready are less likely to be behind and less likely to fall behind in school and are also less likely to get in trouble.

I enjoy saying this. The truth is we should help these little kids—not just because if we help them when they are little, they are more likely to do well in school or less likely to be in trouble or more likely to go on to college—we should help these little kids at the Head Start level because they are all under 4 feet tall and they are all beautiful and we should be nice to them. Nothing else needs to be said.

My God, what are we going to do? Are we going to put our resources into Robin-Hood-in-reverse tax cuts? Paul Krugman had a piece today in the New York Times where he said, actually, when you figure this out, over 50 percent of these tax cut benefits are going to go to the top 1 percent of the population.

Senators, do you want to vote for a tax cut heavily weighted to the top 1 percent of the population or do you want to vote for this amendment which really is about making sure we leave no child behind? What do we do? We are talking about $200 billion that goes to debt reduction and $250 billion that goes to education, as we look over the next 10 years, which means what? It means we get to the point of fully funding the IDEA program for kids with special needs.

At every school I visit in Minnesota, everybody I meet tells me: Listen, if you would just provide the funding for the IDEA program, it would help us out so much in our own finances.

I offered an amendment with Senator HARKIN last year to fully fund the IDEA program. We got 40 votes. Now is the time to step up to the plate. Make sure the kids are kindergarten ready, fully fund the Head Start Program—although, I say to my colleagues, really in the best of all worlds I would like for us to consider not just the 3- and 4-year-olds; I would like for us to consider the 1-year-olds and the 2-year-olds and the Early Head Start Program.

We are talking about afterschool programs. We are talking about teacher training. We are talking about how to recruit the best people into teaching. We are talking about how to make sure higher education is more affordable. We are talking about dramatically expanding the funding for the Pell Grant Program.

Senators, Democrats and Republicans alike, I think in this budget debate this is going to be the litmus test vote. I said it before. I will say it again on the floor. When President Bush, in his inaugural speech, talked about leaving no child behind, I was moved. This is my passion: children, young people, education. I thought those were beautiful words.

The fact is, look at these tax cuts. Let me repeat this one more time. One-third of the children in America live in homes that do not get one penny from these tax cuts; one-half of African American children live in homes that do not get one cent from these tax cuts; and 57 percent of Hispanic children live in homes that will not receive one cent from these tax cuts.

When are we going to make the investment in education? In children? When are we going to make sure we live up to our words?

I am looking at this budget in a broad outline. Next week we are going to see the specifics. When we see the specifics, let me tell you people in Minnesota and people around the country are going to hold all of us accountable. We already know this much. We now know that there are going to be cuts—cuts in child care programs, the CCDBG program, when only 12 percent of low-income families, much less middle-income families, can afford child care and get any assistance.

There are going to be cuts in programs for prevention of child abuse. There are going to be cuts in the training for doctors in our children's hospitals where there are some of the most sick and vulnerable children.

I ask you, President of the United States of America, President Bush: How do you realize the goal of leaving no child behind when you cut these programs? You cannot realize the goal of leaving no child behind on a tin-cup education budget: $23 billion versus $250 billion that Senator HARKIN and I have brought to the floor of the Senate.

I want to make another point because I think this is the vote. This is the vote when it comes to what our priorities are. As we do the speaking on the floor of the Senate, as we do the talking, there are entirely too many children who are not able to get the help they need when they are little and they come to kindergarten way behind.

There are many college students I meet in Minnesota who are struggling. Many of them are at the community colleges. Many of them are in their forties and fifties. They have gone back to school. Many of them are women. They have children. They have jobs, and they are going to school.

Do you want to know something? We are not going to be expanding the Pell Grant Program anywhere near enough to make sure they can get higher education. That is the best bang for the buck. But instead we are giving tax cuts to the top 1 percent of the population.

As we speak on the floor of the Senate, and as we debate this amendment, there are entirely too many teachers who are working under really difficult circumstances who do not have up-to-date textbooks, do not have the technology we need, are underpaid; and without the resources, many men and women aren't going into teaching any longer.

When are we going to get real?

I like this amendment because this leave-no-child-behind amendment defines education, not K through 12, but prekindergarten all the way through age 65.

Right now, the report on most of the kids who are in child care is that it is inadequate and too dangerous. We are talking about a real investment here.

We have had all of these studies, all of these books, and all of these conferences about the development of the brain. When are we going to get serious about investing in early childhood development?

The taconite workers on the iron range, and a whole lot of other people from farm country in Minnesota where we have a price crisis, and family farmers who don't get a decent price—many of them are being driven off their farms. Many of them will have to go back to work. Many of them will not go back to work but are going to have to go back to school. Many of them are going to go to our community colleges.

Where is the Pell grant assistance? Can't we expand the Pell Grant Program? Can't we expand the Head Start Program? Can't we make the commitment to school modernization? Can't we try to reduce class size? Can't we do better for teacher training?

Any day of the year, I say to my good friend, including the Senator from New Mexico, I want to say to people in Minnesota in any coffee shop anywhere, that I would far prefer to put much more money into children and education—the IDEA program, title I, the afterschool program, Head Start—than Robin-Hood-in-reverse tax cuts where everyone here knows that the vast percentage of the benefits go to the very top 1 percent, the wealthiest and highest income citizens. This is all a matter of priorities and values.

It is time to step up to the plate, and it is time to cast a vote. This amendment Senator HARKIN has brought to the floor and on which other Senators will be speaking—and if I had to be a primary cosponsor of one amendment in this budget debate, this would be the amendment. Basically, it says it is time to get beyond symbolic politics, it is time to get beyond the speeches, and if we say that we all love the children, and we are all for education, and young people are our future, then we ought to be making the investment in their skills, in their intellect, and in their health and character. That is what this leave-no-child-behind amendment is all about.

With all due respect, one more time, you cannot realize the goal of leaving no child behind on a tin-cup budget. Our amendment which calls for an investment of $250 billion is one-third of

what goes in these tax cuts to the top 1 percent of the population.

Our amendment, which calls for a dramatic investment in the health, skills, character, and education of children—of young people, and, for that matter, older people—who are going back to school, is one-third of the tax cuts of the Bush plan that go to the top 1 percent of the population. In the President's plan, it is $23 billion. In this plan, it is $250 billion.

I say on the floor of the Senate directly to the people of Minnesota that I am up for reelection, and to me this is what the election is all about. This is what the election is all about. I am for tax cuts that leave some standard of tax fairness. I am for making sure that working people and that low- and moderate-income people get some assistance and benefits. I am for making sure they get that. They will spend it, and it will serve as an economic stimulus. Lots of families will also benefit if you make the tax cut refundable.

But I also believe that far more important than Robin-Hood-in-reverse tax cuts, with most all of them going to the top 1 percent of the population, would be to make this investment in children and make this investment in education.

It is a question of priorities. I come down on the side of education. I come down on the side of children. I come down on the side of hard-working people who are going back to school and trying to rebuild their lives. I come down on the side of taconite workers on the iron range. I come down on the side of family farmers. I come down on the side of ordinary people. I come down on the side of people who believe that education is the foundation of opportunity in America. I come down on the side of this amendment. We should get 100 votes.

I yield the floor.

Mr. CONRAD. Mr. President, how much time is remaining on the amendment and on the resolution?

The PRESIDING OFFICER. The amendment has not yet been offered. On the resolution, there are approximately 16 hours for each side.

Mr. CONRAD. I thank the Presiding Officer.

I suggest the absence of a quorum and ask unanimous consent that it be charged to both sides.

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

The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

Mr. CONRAD. I ask the Senator from Washington if she is seeking time.

Mrs. MURRAY. I am. How much time may I have?

Mr. CONRAD. How much time would the Senator like?

Mrs. MURRAY. Between 3 and 10 minutes, whatever you can give me.

Mr. CONRAD. I yield 10 minutes to the Senator from Washington. We will take that off the resolution since the amendment is not yet pending. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. CONRAD. So we will take 10 minutes off the resolution for the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized for 10 minutes.

Mrs. MURRAY. Mr. President, I come to the floor today to talk about the Harkin-Kennedy-Murray amendment which I understand will be offered shortly. That amendment is going to provide the kind of investment that we need to make if we truly want to leave no child behind. It is a noble goal, and it is one that all of us should endorse. I am glad President Bush has focused on it.

Unfortunately, President Bush's budget that is before us today squanders this opportunity to ensure no child is left behind in favor of an irresponsible tax cut. Putting America's future first means putting our children first. But the sad truth is, this budget shortchanges America's students. This budget focuses on tax cuts for the few, at the expense of our children's education. We cannot ask America's students to wait in line behind a few wealthy Americans for the support they need to succeed.

I have come to the floor to support the amendment that will be offered today to ensure that all students get the educational resources they deserve. The Republicans are claiming that they provide a significant increase for education funding. I have to tell you, in looking at this budget, I am unable to find that ''significant'' increase. Instead, it is clear to me that this budget jeopardizes our ability to maintain critical priorities like education.

Under this budget, the actual amount of funds available for schools, colleges, and students will only increase by about $2.5 billion, which is 5.9 percent. That is less than half of the average yearly increase Congress has provided in each of the last 5 years.

At a time when we are—and should be—demanding more than ever from our schools, we must now slow down the Federal investment in our schools, we must not go back on our commitment to help reduce class sizes, we must not do away with support for emergency repairs and renovations, and we must not continue to shirk our responsibility to disadvantaged students and to students with disabilities.

Setting a high bar is important, but setting a high bar and failing to give kids the resources to succeed is just setting them up for failure. I want to take a moment to highlight some of the ways I believe this budget fails our country.

Across our country, parents are asking us to reduce overcrowding in classrooms. They know this is a critical step in ensuring every child learns the basics in a disciplined environment. This Republican budget freezes our class size progress. Teachers are asking for more help mastering the best ways to teach our children. They know they cannot rely on skills they learned 10, 20, or 30 years ago. This Republican budget freezes our progress in improving teacher quality.

Students are asking for schools where they can feel safe and secure. Certainly we have an obligation to provide that. But this Republican budget freezes our school safety progress.

Parents are asking for afterschool programs so their children won't get into trouble or become victims of violence after the school bell rings. This Republican budget freezes afterschool programs.

Teachers and students are asking for school buildings that are modern, are up to code, and provide a safe and healthy learning environment. This Republican budget freezes our ability to help communities modernize their aging schools.

The American people are asking for a stronger commitment to the things that make a difference in children's education, and the Republicans are so busy trying to fund an irresponsible tax cut that they aren't listening.

This budget freezes our progress. That is why we will offer this amendment later. It will provide the resources parents, teachers, and students are asking for.

It will ensure more children start school ready to learn, that we continue our bipartisan initiative to improve student achievement and teaching by hiring 100,000 fully qualified teachers to reduce the average size of classes in the early grades. It will provide critical assistance for emergency school repairs and renovation, and will help our local districts ensure there is a high quality teacher in every classroom. It will meet our obligations to children with disabilities and disadvantaged students, and will allow communities to offer more afterschool programs to keep our children safe and learning. It will also help more Americans afford college.

To justify an irresponsible tax cut, the President keeps talking about an enormous surplus. But when people from my home State come to see me, they ask an important question: How can there be a surplus when we still haven't paid our bills on full funding for IDEA, title I, impact aid, or 100,000 new teachers? I agree with them. I am glad that the amendment we will offer will help to ensure that we pay those bills.

With the projected surplus, our country has the opportunity to make important choices as we begin this new century. Are we going to make the investment in education that all our children deserve? Or are we going to give deep tax cuts to just a few?

Are we going to let our children continue to go to school in overcrowded

classrooms, in crumbling school buildings, with underpaid, inadequately prepared teachers? Or will we rise to the occasion and make the choice to invest in our children's future?

We know what the needs are out there. We know what works to help our children succeed. We just need the will of the Members of this Congress to stand up and put the money where their mouths are.

Parents, teachers, students, and community leaders are saying: Don't just talk about the importance of funding education. Make the tough choices to show the American public that education is truly a priority of their elected officials.

That means giving our local school districts the resources they need to provide a first rate education to every student in this country by supporting the Harkin-Kennedy-Murray amendment.

I urge my colleagues, when this amendment is proposed, to vote yes for our children and our grandchildren and for their future.

Mr. President, I thank my colleague for yielding me time.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I yield myself 10 minutes off the resolution.

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

Mr. CONRAD. Mr. President, we are in the midst of a debate on the budget resolution for the year. Contained in that is a proposal for 10 years because that is what the rules require of us.

On our side, we have tried to lay out a series of principles that would form the basis of our budget proposal. Perhaps this is a useful time to review those fundamental principles that we have used to form a budget recommendation to our colleagues.

First, we have said we should protect Social Security and Medicare trust funds in every year so those funds are not raided for another purpose.

Second, we have adopted the policy of paying down the maximum amount of the publicly held debt. The publicly held debt, as we stand here today, is $3.4 trillion. We believe $2.9 trillion of that can be paid down without paying any premiums, without having any difficulty.

Third, we provide for an immediate fiscal stimulus of $60 billion. Our proposal has been: Let's put in place that fiscal stimulus now.

Let's not wait. Let's not delay. Let's not hold it hostage to the larger 10-year budget because this would be available in fiscal year 2001. We already have a budget for 2001. We know we have the money available to provide a fiscal stimulus now. We know we have $96 billion of surplus outside of the trust funds available this year in the budget that has already been passed to provide fiscal stimulus, to provide a little boost to this economy in the midst of the downturn we see occurring.

We think that would be a wise policy to pursue. Then we can deal with the longer 10-year plan. But let's put in place right now a fiscal stimulus that would give lift to this economy.

Fourth, we provide for significant tax relief for all Americans, including rate reduction, marriage penalty relief, and estate tax reform.

We also reserve resources for the high-priority areas we have previously identified: improving education, strengthening our national defense, providing a meaningful prescription drug benefit, and funding for agriculture because of the crisis facing our farmers.

Finally, we provide $750 billion to strengthen Social Security and address the long-term debt problem America sees just over the horizon. When this 10-year period ends, we all know that the baby boom generation starts to retire, and then we face real financial problems. We have, as I think all of us know, a circumstance in which we will face massive deficits as we look ahead.

We have tried to be mindful of the fact that all of these budgets are based on a forecast, a 10-year forecast, a forecast that is highly uncertain. In fact, it is so uncertain that the forecasting agency warned us that it is very likely to be wrong. Our friends on the other side are betting that this entire projection over 10 years comes true, all $5.6 trillion of it.

Let's reflect back on what the Congressional Budget Office told us. They are the ones that made the forecast, and they provided us with this chart, this analysis. They went back and looked over the variants in their previous forecasts. They said: If we apply the difference between what we projected and what actually occurred and we applied it to this forecast, this is what we see.

In the fifth year of this 10-year forecast, they are telling us there could be anywhere from a $50 billion deficit to more than a $1 trillion surplus. That is in the fifth year alone. They say this notion that there is a $5.6 trillion pot of money at the end of 10 years has only a 10-percent chance of coming true, a 45-percent chance there will be less money, and a 45-percent chance there will be more money. That forecast was made weeks ago.

Look at what has happened in the interval. The economy has continued to weaken. We have more announcements of job layoffs and further erosion in the financial markets.

What would a prudent person bet? Would a prudent person bet we are going to have more money or would a prudent person bet maybe we are going to have less money in that forecast, that 10-year projection?

A prudent person would say it is unlikely that all of this is going to come true and that we ought to fashion a fiscal policy that takes account of that uncertainty.

That is precisely what a number of very distinguished Americans said this morning in the Washington Post. In an article entitled ''On Taxes, One Step at a Time,'' former Senator Warren Rudman, Republican Senator from New Hampshire, one of our most distinguished colleagues, former Senator Sam Nunn, Democrat of Georgia, again, one of our most distinguished former colleagues, who are now co-chairmen of the Concord Coalition, and three fellow officials of that organization, including former Secretary of the Treasury Robert Rubin, former Federal Reserve Chairman Paul Volcker, and former Secretary of Commerce in the Nixon administration, Pete Peterson, said:

> . . .great care must be taken to ensure that any tax cut medicine treats the short-term economic symptoms without adversely affecting the long-term prognosis. We believe an immediate fiscal stimulus can be provided independently of the proposed 10-year tax cut.

That is exactly what we have proposed on this side. Let's take immediate action on fiscal stimulus and then independently address the 10-year plan. When we address it, they advise us:

> Any additional tax cuts should be limited to account for the enormous uncertainty of long-term budget projections and the huge unfunded obligations of Social Security and Medicare.

They are exactly right. We ought to be very cautious when we talk about not only the 10-year numbers but when we talk about what is going to happen right when we get past this 10-year period.

This chart shows Social Security and Medicare trust funds face cash deficits as the baby boomers retire. What this shows is that we are in surplus going out until the year 2016. Then Social Security and Medicare start running cash deficits in that year. In other words, these surpluses we enjoy now are going to turn to deficits. They aren't just going to be piddly deficits. They are not going to be little itty-bitty deficits. They are going to be huge deficits. Because when the baby boomers start to retire, the number of people eligible for Medicare and Social Security double very quickly. Then we can see what happens. We see this surplus picture change dramatically. We start running massive deficits. That is why we have said on our side, having a tax cut as large as the President proposes, that uses up all of the non-trust-fund money in this period, digs the hole deeper before we start filling it in.

I will show what I mean by that. This is our analysis of the Bush budget proposal. We have the $5.6 trillion of forecasted surplus. But $2.6 trillion of that, according to the President's calculations, are Social Security trust fund money; $500 billion is Medicare trust fund money. That leaves an available surplus of $2.5 trillion. That doesn't count a third set of trust funds we have. That is another $500 billion. Those are the trust funds of civil service retirement, military retirement,

airport trust funds, highway trust fund.

I yield myself an additional 10 minutes.

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

Mr. CONRAD. If the Chair would inform me when I have used 8 minutes, I would appreciate that. I appreciate the courtesy of the Presiding Officer.

As I have indicated, if we just take out the Social Security trust fund and the Medicare trust fund, we are down to $2.5 trillion. That doesn't count the other trust funds. That doesn't count the airport trust fund, the highway trust fund, the military retirement trust fund, or the civil service retirement trust fund. That is another $500 billion. If we counted that, we would be down $2 trillion.

Then let's look at the President's tax plan. He has a tax cut advertised at $1.6 trillion—not billion, not million, trillion, $1.6 trillion—a huge amount of money. We know from the reestimates that have been done on just part of his plan that it costs more than $1.6 trillion.

We know from the reestimates that have been done on just part of the plan with the House of Representatives, it is at least $1.7 trillion. Then, of course, you have other costs—things that will be necessary to fix because of the President's plan. The alternative minimum tax is perhaps the most significant.

The alternative minimum tax now affects about 2 million American taxpayers. But we have been advised by the Joint Committee on Taxation that if the Bush plan passes, more than 30 million taxpayers will be caught up in the alternative minimum tax. That is almost one in every four taxpayers in America. Boy, are they in for a big surprise. They thought they were getting a tax cut. Instead, they are going to find they are caught up in the alternative minimum tax. That was something designed years ago to prevent wealthy people from paying no taxes. We are going to find a quarter of the American people caught up in it because of the changes the Bush tax cut plan makes that are going to push more and more Americans into the alternative minimum tax.

These aren't wealthy people. Some will be, but many will be middle-class people. Tens of millions of people will be pushed into the alternative minimum tax. That was never the intention of anyone, but that is what is going to happen under the Bush plan. And it costs $300 billion to fix, according to the Joint Committee on Taxation.

So you have the Bush tax cut at $1.7 trillion. You have $300 billion to fix the alternative minimum tax, which is made more necessary by the Bush plan. You have the interest costs associated with the first two of $500 billion. You spend money and provide tax cuts. That includes the interest costs to the Federal Government because the money is not being used to pay down debt. So the interest cost is higher than it would be otherwise. That is another $500 billion. Then we have the Bush spending proposals over the baseline that forms the foundation for this 10-year forecast. That is another $200 billion, for a total of $2.7 trillion.

Remember, if we safeguard the Social Security trust fund and the Medicare trust fund, we only have $2.5 trillion available. We will have $2.5 trillion available if we subtract out the Social Security and Medicare trust funds. Of course, as I indicated, if we take out the other trust funds of the Federal Government, that is another $500 billion. So one can readily see that the cost of the Bush budget plan far exceeds the available resources outside of the trust funds.

What does that mean? That means very simply that we are going to be invading the trust funds of Medicare and Social Security under the Bush plan, and they won't say it, but the numbers don't lie: There is no other way to add this up and make it work.

We already see what is happening out here on the floor of the Senate day after day, as they present amendments to try to fix what is wrong in the Bush budget plan.

Yesterday, Senator GRASSLEY of Iowa offered an amendment to add $150 billion for prescription drugs because the President's plan is insufficient. It doesn't have enough money to provide a prescription drug benefit to the American people. So they offered an amendment to put back $150 billion. Today, Senator GRASSLEY offered another amendment to more fully fund agriculture, and they add back another $100 billion.

If you go out and look, year by year, at their budget and you look at the results of these amendments they have passed and you look at the money that is available, what you find is, sure enough, they are raiding Medicare already.

In the year 2005, they are going to take $15 billion from the Medicare trust fund. In the year 2006, they are going to take $13 billion. In the year 2007, they are going to take $10 billion. In the year 2008, they are going to take $4 billion more, for a total of $42 billion from the Medicare trust fund.

Some may be watching and wondering: well, what difference does that make? The difference it makes is that it means Medicare goes broke faster. That means Medicare is out of money more quickly. And already Medicare is the most endangered of the Federal programs. We all know Social Security is in trouble. Medicare is in even more trouble. If you start tapping it to fund other things, guess what. It is in trouble even more quickly.

Mr. President, those are just some of the things I think need to be known before people vote on this budget. It is critically important that we make wise choices, that we make choices that add up, that we make choices that reflect the values of the American people. I hope very much before this debate concludes that we will somehow manage to find a way to change this plan so that it does add up; so that it doesn't raid the trust funds; so that we can provide significant tax relief to the American people but do it in the context of paying down the publicly held debt as quickly as possible and also funding the priorities of the American people, including improving education and providing a prescription drug benefit.

(Ms. CANTWELL assumed the chair.)

Mr. CONRAD. Madam President, we have a circumstance in which we fund those priorities of improving education, providing a meaningful prescription drug benefit, strengthening our national defense, and also set aside some money to deal with this longer term problem.

Our friends on the other side of the aisle haven't provided a nickel to deal with this long-term debt crisis that is coming our way. They haven't provided a dime for that purpose. We have set aside $750 billion to deal with this long-term budget circumstance, this long-term budget challenge of the baby boomers starting to retire and, when they do, us not having sufficient resources to keep the promise that has been made.

Madam President, I will end on this note as I notice other colleagues have arrived. The fundamental difference between the Democrat budget plan and the Republican budget plan can be summed up on this chart of short- and long-term debt reduction. Of the projected $5.6 trillion that is available if this budget forecast comes through, we reserve $3.65 trillion for short- and long-term debt reduction. President Bush's plan reserves $2 trillion. So while he has a bigger tax cut—about twice as big as what we propose—we have about twice as much money for short-term and long-term debt reduction. That is the fundamental difference between these two plans.

It is up to people to decide what they think is the wiser course. We believe, given the uncertainty of these financial projections, given the magnitude of our current debt and the debt that is coming our way when the baby boomers start to retire, it is much wiser to put more of this money aside for short- and long-term debt reduction than to put it aside for a big tax cut.

Those are the differences. Our tax cut would still permit rate reductions. Our tax cut would permit reforming the estate tax, and addressing the marriage penalty, and an immediate fiscal stimulus of $60 billion. But beyond that, we think the money is better put to paying down the short-term and long-term debt.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa seeks recognition.

Mr. CONRAD. Is Senator HARKIN seeking time?

Mr. HARKIN. I inquire; I had to leave the floor momentarily when we were

on the education provision. I am ready to send my amendment to the desk.

Mr. CONRAD. The Senator from Nevada wants 15 minutes off the resolution.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Madam President, in the State of Nevada we have a unique situation. We have rural communities. Las Vegas, Clark County, has one of the most unusual situations ever to have occurred in the history of our country. Clark County School District must build one school each month to keep up with the growth. We hold the record. One year, we dedicated 18 new schools. It is a tremendous burden on the people of the State of Nevada to keep up with this tremendous growth. We need help.

I have had lots of meetings with constituents. That is one of our responsibilities. It is something I enjoy, whether it is here in Washington with people coming from the State or when I go home, as we are going to do for 2 weeks beginning next week. We will talk about things they believe are important.

Every time someone talks to me about an issue, I think: What are we doing? For example, a man by the name of Larry Carter came to visit me one day this week. Larry Carter is a State employee. His responsibility is making sure that grants and other moneys that come from the Federal Government for programs dealing with children are distributed fairly.

In effect, he was telling me they do not need less money; they need more money, and that the money we put into programs for children is working. Violent crime among children, for example, has dropped the last 3 years since Congress got serious about this issue and recognized that violent crime among adults was going down because we had 100,000 new police officers, on the streets and it has helped a great deal. Violent crime for juveniles was accelerating. So we decided to do something about it, and it has made a tremendous difference. These preventive programs are like preventive medicine: An ounce of prevention is worth a pound of cure. If we support juvenile justice programs up front when they are the most effective, we save taxpayers' dollars from going to after-the-fact programs. There is some debate about how much it would cost to keep a young person in a reformatory or institution, but it is about $40,000 a year. A lot of prevention programs are a lot cheaper than that. We spend so much money building jails to house youth offenders who, sadly, become adult offenders when they are caught up in the cycle of violence.

The programs Larry Carter talked with me about are good programs. They are not giveaways. A grant of $11,000 makes a tremendous difference, according to Larry Carter, in parts of rural Nevada.

I am very concerned about the budget that has been put forth by the majority. It is not fair. I agree with the ranking member of the Budget Committee, Senator CONRAD. He has done such a remarkably good job of describing the real problems facing this country and that the Democrats want tax cuts.

I had the good fortune a few weeks ago to respond to President Bush's Saturday radio address. I said in the first sentence of my response: Democrats believe in tax cuts, and we want them now.

Everyone within the sound of my voice should understand, we are not saying there should not be tax cuts. We believe there should be tax cuts, but we believe there should be tax cuts that we can afford and that go to the people who need them the most.

The one-third, one-third, one-third program we have suggested is a good program. We would take the surplus and spend a third of it on tax cuts, a third of it reducing this huge debt we have, and a third we should save for programs such as helping the people of the State of Nevada build schools. Nothing is more important to Nevada's future and the future of any State in the Union than educating our young people.

Around most of America, schools are overcrowded and underfunded. We have some schools that do not have the same problems as Nevada. The average school in America is 40 years old. These areas have crumbling schools. In Nevada we do not have enough schools; we need new schools.

Nevada has the fifth largest student/teacher ratio in the Nation. Our schools in Nevada are now facing nearly $300 million in deferred maintenance costs. Seventy percent of the state's population live in Las Vegas in the Clark County School District. Another 15 percent live in the metropolitan Reno area. The rest of the State needs help. They have no tax base. They literally are without the ability to even repair their schools. We need to help these crumbling schools in Nevada and other places.

In Nevada, we have about 450 schools. As I have indicated, in southern Nevada schools are being built at the rate of at least one new school a month. The sixth largest school district in the nation is in Clark County. In that school district, there are over 230,000 children. Eighty-three percent of schools in Nevada report a need to upgrade or repair a building to good overall condition.

The last year it was reported, 1999, Nevada paid over $100 million in interest on school bonds, school debt. That is what this school construction legislation addresses. It will not give away money to school districts. It alleviates the burden placed on the schools because of the interest costs on this debt, this bonded indebtedness that school districts all over America are using to construct schools.

It is estimated that Nevada faces another $6 billion for school modernization and construction. This is a tremendous burden. This includes about $400 million for technology needs.

I talked about the new schools we need to build. And we do need to build new schools in Nevada. The biggest Fourth of July celebration in Nevada is in Boulder City. They have a big parade and all kinds of celebrations that go with the Fourth of July. I was asked by people at the parade to visit Boulder City High School: We want to show you what is wrong with this school.

I said to myself: What is wrong with the school? When I was in high school, Boulder City was one of the best schools, if not the top school. They had more merit scholars and great athletic teams. It was a beautiful place in southern Nevada. They had a lot of grass. We do not have a lot of green things in southern Nevada.

I said: I will go to this school that I thought was always so nice. It has not received the largess of the Clark County School District. It was run down. They had no hot water in the showers for the athletes. Parts of the track were gone. Students could not run in some of the outside lanes.

They could not put computers in that school because it was not wired. It was a mess. This wonderful school that I remember was a mess.

Since I went there, the school district has put a little more money in it to modernize that school.

That is an example of what is happening all over America. We need new schools built, and we need to modernize our schools. That is what the amendment of the Senator from Iowa is about.

Madam President, I have had a lot of dealings with my friend from Iowa since I have been in Washington. He is someone for whom I have great respect. He has for many years been on the Appropriations Committee. I have served with him on the Appropriations Committee. He and Senator SPECTER are the leading Democrat and Republican on the very important committee that deals with Health and Human Services and Education. There is no one in the Senate who has a bigger part than the Senator from Iowa.

I attended a hearing yesterday dealing with Alzheimer's disease. This is a terrible, devastating disease. This Congress is putting huge amounts of money into it as a result of the leadership of the Senator from Iowa and the Senator from Pennsylvania, Mr. SPECTER.

Also, in addition to the work he has done in our search to find the cure for devastating diseases in America, he has also been a leader on education. He not only fought to work on improving education for what some refer to as the regular kids; he has spent months and months of his legislative career dealing with disadvantaged children. I greatly admire and respect him. Senator HARKIN has done many things in this Capitol to make sure that hearing-impaired people can witness and view the

proceedings in the Capitol. He has done a lot for American children, disadvantaged and otherwise.

This amendment he will offer is in keeping with the Harkin tradition, putting money where it is needed. I can't say enough about my support of this legislation.

I have talked about some of the things that will be helpful to the State of Nevada. There is no question this will be helpful to the State of Nevada, but it will help everyone in America because if we help educate our young people, we benefit also.

A tax cut of the magnitude some are talking about will eliminate any increase in funding for the education of our children. I am gravely concerned we will not have the resources that will be needed to properly fund our obligation to education and in effect give back to the American family what they deserve.

We talk about this money, this surplus. Let's remind everyone from where it came. No one more than the Presiding Officer appreciates that in 1993 we had a budget deficit reduction act. On that occasion in the House, without a single Republican vote, it was passed; in the Senate, without a single Republican vote, it was passed. As a result of that very dramatic vote, we stopped spending in the deficits and started having surpluses. We first cut down the deficits and then we got into a surplus situation. We cut down the size of the Federal Government. We had 300,000 fewer Federal employees than in the past. We had record-breaking employment, with unemployment being low. Inflation was low. It was remarkable what happened to the economy as a result of that vote.

We now have that money, that surplus. That surplus, we are told by the other side, is the people's money; give it back. That is absolutely true; it is the people's money. But it is also the people's debt. We have to do something about the debt. That is why when we talk about what Democrats should do, there is a third in tax cuts, a third to continue to pay down that debt, and of course, a third left over to do some things in education that this amendment offered by my friend from Iowa will do.

I agree with Senator HARKIN; we should not leave a single child behind. Part of not leaving a child behind is ensuring that our teachers are trained, our children have access to Head Start, and our children are in safe, well-equipped classrooms. We must invest in higher education for our children through Pell grant programs, loan forgiveness programs for teachers, the TRIO program, and the Federal Perkins loan programs.

Senator HARKIN's amendment invests an additional $250 billion over 10 years to improve education. With that investment, we can greatly expand child development programs, make Head Start available to all eligible 3- and 4-year-olds, reduce class size to no more than 18 students, triple Federal funding for school repairs and construction, fully fund the Federal share of the Individuals with Disabilities Education Act, and double spending for after-school programs.

It is not fair what has happened to school districts in Nevada and around the country. It is estimated that it costs an extra 40 cents for every student that is disadvantaged, disabled—physically, emotionally handicapped. What are we paying? Less than a dime of that. The Federal Government should pay the extra 40 cents for every student. If we did that, think of the extra money it would give school districts to do some of the things I have spoken of today.

This amendment of Senator HARKIN is good for the heart; it is good for the head. It is the right thing to do.

After-school programs, we know they work. School districts spend millions of dollars to build schools. These are programs say: Why not use it after school for some programs for kids who may be latch-key children who go home with no parent home. We would have programs there so they would do better in school and in effect keep them occupied. After-school programs are great. They work well.

I support a tax cut. However, we have to have a fiscally responsible tax cut that allows us to fund education and continue to pay down the debt. I know the people of Nevada want a strong educational system. We should not leave any child behind—not a child from Iowa, not a child from Nevada, or anywhere else across this Nation. We must not shortchange our children.

I urge everyone to support the Harkin amendment when it is offered. It is what this country needs. It would improve everyone's life to better educate our children.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

AMENDMENT NO. 185 TO AMENDMENT NO. 170

Mr. HARKIN. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself, Mr. WELLSTONE, Mr. KENNEDY, Mrs. MURRAY, Mr. BINGAMAN, Mrs. CLINTON, Mr. DAYTON, Mr. ROCKEFELLER, Mr. CORZINE, Ms. MIKULSKI, Mr. REED, Mr. REID, Mr. SARBANES, Ms. LANDRIEU, Mr. KERRY, Mr. DASCHLE, and Mr. SCHUMER, proposes an amendment numbered 185.

Mr. HARKIN. Mr. President, I ask unanimous consent reading of the amendment be dispensed.

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

The amendment is as follows:

(Purpose: To make certain that no child is left behind and to maintain fiscal discipline by making a major investment in education, including a new mandatory investment in the Individual with Disabilities Education Act, and a commensurate reduction in the share of tax relief given to the wealthiest on percent of Americans)

On page 2, line 18, increase the amount by $15,600,000,000.

On page 3, line 1, increase the amount by $24,700,000,000.

On page 3, line 2, increase the amount by $34,100,000,000.

On page 3, line 3, increase the amount by $43,200,000,000.

On page 3, line 4, increase the amount by $51,100,000,000.

On page 3, line 5, increase the amount by $59,100,000,000.

On page 3, line 6, increase the amount by $66,500,000,000.

On page 3, line 7, increase the amount by $73,000,000,000.

On page 3, line 8, increase the amount by $80,200,000,000.

On page 3, line 14, increase the amount by $15,600,000,000.

On page 3, line 15, decrease the amount by $24,700,000,000.

On page 3, line 16, decrease the amount by $34,100,000,000.

On page 3, line 17, decrease the amount by $43,200,000,000.

On page 3, line 18, decrease the amount by $51,100,000,000.

On page 3, line 19, decrease the amount by $59,100,000,000.

On page 3, line 20, decrease the amount by $66,500,000,000.

On page 3, line 21, decrease the amount by $73,000,000,000.

On page 3, line 22, decrease the amount by $80,200,000,000.

On page 4, line 3, increase the amount by $12,200,000,000.

On page 4, line 4, increase the amount by $16,300,000,000.

On page 4, line 5, increase the amount by $20,300,000,000.

On page 4, line 6, increase the amount by $23,800,000,000.

On page 4, line 7, increase the amount by $27,300,000,000.

On page 4, line 8, increase the amount by $30,900,000,000.

On page 4, line 9, increase the amount by $34,000,000,000.

On page 4, line 10, increase the amount by $37,200,000,000.

On page 4, line 11, increase the amount by $40,000,000,000.

On page 4, line 17, increase the amount by $7,800,000,000.

On page 4, line 18, increase the amount by $12,300,000,000.

On page 4, line 19, increase the amount by $17,000,000,000.

On page 4, line 20, increase the amount by $21,600,000,000.

On page 4, line 21, increase the amount by $25,500,000,000.

On page 4, line 22, increase the amount by $29,500,000,000.

On page 4, line 23, increase the amount by $33,300,000,000.

On page 5, line 1, increase the amount by $36,500,000,000.

On page 5, line 2, increase the amount by $40,100,000,000.

On page 5, line 8, increase the amount by $7,800,000,000.

On page 5, line 9, increase the amount by $12,300,000,000.

On page 5, line 10, increase the amount by $17,000,000,000.

On page 5, line 11, increase the amount by $21,600,000,000.

On page 5, line 12, increase the amount by $25,500,000,000.

On page 5, line 13, increase the amount by $29,500,000,000.

On page 5, line 14, increase the amount by $33,300,000,000.

On page 5, line 15, increase the amount by $36,500,000,000.

On page 5, line 16, increase the amount by $40,100,000,000.

On page 5, line 21, decrease the amount by $7,800,000,000.
On page 5, line 22, decrease the amount by $20,100,000,000.
On page 5, line 23, decrease the amount by $37,200,000,000.
On page 5, line 24, decrease the amount by $58,800,000,000.
On page 5, line 25, decrease the amount by $84,300,000,000.
On page 6, line 1, decrease the amount by $113,800,000,000.
On page 6, line 2, decrease the amount by $147,100,000,000.
On page 6, line 3, decrease the amount by $183,600,000,000.
On page 6, line 4, decrease the amount by $223,700,000,000.
On page 6, line 9, decrease the amount by $7,800,000,000.
On page 6, line 10, decrease the amount by $20,100,000,000.
On page 6, line 11, decrease the amount by $37,200,000,000.
On page 6, line 12, decrease the amount by $58,800,000,000.
On page 6, line 13, decrease the amount by $84,300,000,000.
On page 6, line 14, decrease the amount by $113,800,000,000.
On page 6, line 15, decrease the amount by $147,100,000,000.
On page 6, line 16, decrease the amount by $183,600,000,000.
On page 6, line 17, decrease the amount by $223,700,000,000.
On page 27, line 3, increase the amount by $8,300,000,000.
On page 27, line 4, increase the amount by $1,000,000,000.
On page 27, line 7, increase the amount by $12,200,000,000.
On page 27, line 8, increase the amount by $7,800,000,000.
On page 27, line 11, increase the amount by $16,300,000,000.
On page 27, line 12, increase the amount by $12,300,000,000.
On page 27, line 15, increase the amount by $20,300,000,000.
On page 27, line 16, increase the amount by $17,000,000,000.
On page 27, line 19, increase the amount by $23,800,000,000.
On page 27, line 20, increase the amount by $21,600,000,000.
On page 27, line 23, increase the amount by $27,300,000,000.
On page 27, line 24, increase the amount by $25,500,000,000.
On page 28, line 2, increase the amount by $30,900,000,000.
On page 28, line 3, increase the amount by $29,500,000,000.
On page 28, line 6, increase the amount by $34,000,000,000.
On page 28, line 7, increase the amount by $33,300,000,000.
On page 28, line 10, increase the amount by $37,200,000,000.
On page 28, line 11, increase the amount by $36,500,000,000.
On page 28, line 14, increase the amount by $40,000,000,000.
On page 28, line 15, increase the amount by $40,100,000,000.
On page 43, line 15, decrease the amount by $8,300,000,000.
On page 43, line 16, decrease the amount by $1,000,000,000.
On page 48, line 8, increase the amount by $8,300,000,000.
On page 48, line 9, increase the amount by $1,000,000,000.

Mr. REID. How much time does the Senator desire?

Mr. HARKIN. I will need 15 minutes.

Mr. REID. Off the resolution, I yield 15 minutes to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. I thank my friend from Nevada.

Having been to his State and having visited a couple of cities in Nevada and seeing how the increase in population is there, I know Senator REID understands full well the necessity to invest in education. It is a terrible burden they have in the State of Nevada now in terms of building facilities and getting teachers in classrooms they need to meet the requirements of their rapidly growing population in that State.

I appreciate the kind remarks of Senator REID about me, but I want to return it in kind by saying teachers and students, not just in Nevada but all over the country, have no greater friend than Senator REID. I do appreciate his strong support of this amendment.

I also want to mention the cosponsors of this amendment: Senators WELLSTONE, KENNEDY, MURRAY, BINGAMAN, CLINTON, DAYTON, ROCKEFELLER, CORZINE, MIKULSKI, REED of Rhode Island, REID of Nevada, SARBANES, KERRY, LANDRIEU, DASCHLE, and SCHUMER.

I ask unanimous consent to have printed in the RECORD a list of the groups supporting this amendment. It is a lengthy list.

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

GROUPS SUPPORTING LEAVE NO CHILD BEHIND

American Association of Community Colleges.
American Association of School Administrators.
American Association of State Colleges and Universities.
American Council on Education.
American Federation of Teachers.
American Library Association.
Association of Jesuit Colleges and Universities.
Board of Education of the City of New York.
Children's Defense Fund.
The Children's Foundation.
Coalition for Higher Education Assistance Organizations.
Committee for Education Funding.
Council for Exceptional Children.
Council for Opportunity in Education.
Council of Chief State School Officers.
Council of the Great City Schools.
Fight Crime Invest in Kids.
Higher Education Consortium for Special Education.
International Reading Association.
National Association of Counties.
National Association of Independent Colleges and Universities.
National Association of Secondary School Principals.
National Association of State Directors of Special Education, Inc.
National Association for Bilingual Education.
National Association for the Education of Young Children.
National Alliance of Black School Educators.
National Association of Student Financial Aid Administrators.
National Council of Jewish Women.
National Education Association.
National Education Knowledge Industry Association.
National Job Corps Association.
National PTA.
National School Board Association.
New York State Department of Education.
School Social Work Association of America.
Tulare Youth Service Bureau, Inc.
U.S. Conference of Mayors.
U.S. Public Interest Research Group.
Urban Corps San Diego.
University of California.
Workforce Alliance.

Mr. HARKIN. Madam President, our amendment ''Leave No Child Behind,'' the third one says that all students, including special needs students, will master challenging subject matter and Federal education programs will be held accountable and focus on practices proven to work. The title I program provides children who have fallen behind in reading and math with the extra help they need to catch up. However, only one-third of the students who need this extra help are aided.

In addition, the Federal commitment to help educate students with disabilities has lagged behind our goal to provide what we in Congress said 26 years ago, that we would endeavor to provide to the States and local communities at least 40 percent of the average per-pupil expenditure to support the Individuals with Disabilities Education Act.

In our amendment, we have increased investments in title I and in IDEA to help schools meet the tough new accountability standards. I might add, it will also provide much needed relief to local property taxpayers who are struggling to finance their schools.

This amendment we have sent to the desk will fully fund the Individuals with Disabilities Education Act to that level we stated 26 years ago that we wanted to do; that is, provide at least a minimum of 40 percent of the average per-pupil expenditures.

A fourth part of our amendment addresses that all students will attend classes in a school building that is safe, in good repair, and equipped with the latest technology. Fourteen million children attend classes in buildings that are unsafe or inadequate.

Last month, the American Society of Civil Engineers issued a report card on the Nation's infrastructure, on everything from roads and bridges to wastewater treatment, dams, everything—all of the physical infrastructure of America. The one item that got the lowest grade was our public schools, a D-minus. It is a national disgrace that the nicest places our kids see are shopping malls, sports arenas, and movie theaters, and the most run down places they see are the public schools. What signal are we sending to them about the value we place on their education and their future?

This amendment triples funding for the school repair and renovation program that we began in last year's appropriations bill.

Fifth, all students will be able to attend college and get the skills they need to succeed in the global economy without incurring a mountain of debt. Over the past two decades, the purchasing power of the Pell grants has fallen by 25 percent. Loans right now are the principal source of aid for colleges. In this amendment we increase the maximum Pell grant by $600 next year. I think, again, if you talk to any of your constituents, your families out there who have kids in college, there is a new phenomenon happening in America. Kids are going to college. They want to have a better life. They want to succeed. They are piling up mountains of debt by borrowing money to go to school. This is unlike anything we have ever seen in the past. This addresses that by increasing that maximum Pell grant.

We also increase investments in the TRIO Program to make sure some of our most vulnerable students can succeed in college. We also expand loan forgiveness for teachers and increase our investment in Federal job training programs so every adult will have the skills necessary to compete in a global economy.

Again, we know there are a lot of our young people who will not go to college, will not finish college. There are a lot of people in our workforce today who have not gone to college. They need skills upgrading, job retraining, because they are shifting in their jobs. We cannot forget about them either. So our amendment puts the necessary investments in job training programs.

Last, our amendment also maintains our commitment to fiscal discipline by devoting a commensurate amount to reducing the public debt.

Reaching all these goals will require real investments amounting to $250 billion over the next 10 years. But dedicating these funds is simply a matter of priorities. Again I repeat, $250 billion is about one-third as much as the tax cut that President Bush wants to give to the most wealthy 1 percent of Americans.

I will use this chart to show the President's tax cut for the wealthiest 1 percent is about $697 billion. The President's education plan is $21.3 billion. The amendment before us provides $250 billion over 10 years, or slightly more than one-third—one-third of what the President wants to give in tax cuts, just to the wealthiest 1 percent of Americans.

Then, when we consider we are looking at the baby boom generation coming on retirement and the problems we are going to have in Medicare, looking at our economic future, the best investment we can make this decade is to invest in education and make it our top priority.

We are not alone in this. The American people understand this full well. In poll after poll after poll, the American public supports education overwhelmingly. It is not even a close call. These are some of the recent surveys. In fact, one was done by a polling firm that tends to poll more for Republicans that joined with a polling firm that tends to poll more with Democrats. This is what they came up with.

The question was about promoting teaching as a career and raising teacher pay to keep good teachers—91 percent favored that.

Make college more affordable by expanding loan and grant programs and increasing student aid—91 percent approve of that.

Reducing class sizes, using higher pay to attract good teachers, expanding before- and after-school programs—87 percent approved.

Providing funding to repair schools in poor condition and building new schools and wiring classrooms for computers—87 percent approve.

Providing full funding for Head Start, expanding day-care programs in local schools, providing tax credits to help families pay for kindergarten and preschool—85 percent approve.

Requiring the Federal Government to live up to its obligation of 40-percent funding for special education—85 percent approve.

The way I see it, this is not even a close call. I hate to say this since we are talking about education. This ought to be a no-brainer. The American people are on this side. They are telling us in clear, unequivocal terms: Make education your top priority. Invest in these programs.

I have not seen the polls, but I challenge anyone to tell me that they can get these kind of approval ratings for a $697 billion tax break to the wealthiest 1 percent of Americans. Yet that is what the budget has before us. We are elected to represent the people of America. We are all Senators. Yes, I represent Iowa, but I represent the people in Minnesota and everywhere else, too. We are U.S. Senators. We represent the country as a whole. What the people of America are telling us is to invest in education.

Madam President, this amendment provides the necessary funds. So over the next 10 years we can fully fund Head Start for all eligible 3 and 4 year olds, double the title I funding for disadvantaged children, and we can fully fund the Individuals With Disabilities Education Act. We can quadruple professional development, teacher training, and skills upgrades. We can reach our goal of hiring 100,000 extra teachers to reduce class sizes all over America so that no class has more than 18 students in all grades 1 through 12.

We can triple the funding for modernization of school repair, and we can raise the maximum Pell grant by $600 next year.

Mr. WELLSTONE. Madam President, will the Senator yield for a question?

Mr. HARKIN. Yes, I am delighted to yield.

Mr. WELLSTONE. Did the Senator describe the title I program? Did he talk about what title I was? I know he talked about IDEA.

Mr. HARKIN. I talked about helping disadvantaged students with reading and math skills in the title I program.

Mr. WELLSTONE. The Senator pointed out that right now that program is funded about 30 percent. That is about it. Is that correct? He talked about Head Start, but he is also talking about kids who are economically disadvantaged getting that additional help for reading or afterschool through the title I program. We find that it is funded at about a 30-percent level, but now we are going to double it with this proposal. Is that right?

Mr. HARKIN. This will get it to over 60 percent of fully funding the title I program.

Mr. WELLSTONE. In many of our schools in the State of Minnesota—St. Paul, for example—where 65 percent or less of the kids in the free and reduced priced lunch program, do not get a cent from Title I. The state runs out of money.

Again, whether it is about poor children or kids with special needs, or reducing class size, this is the vote in terms of our values.

Mr. HARKIN. I thank the Senator from Minnesota for his strong support of education. No one works quite as hard as Senator WELLSTONE for kids in this country, and especially for disadvantaged kids. He is right. We have to make sure that we invest both in title I and also in the Individuals With Disabilities Education Act.

Again, on the top end of the Pell grant, this is what enables those who are going to college.

The way I see it, this is the vote on the budget and whether or not we are going to have the priority that the American people want us to have or whether we are going to go down the pathway of providing almost unconscionable tax benefits and relief for the wealthiest 1 percent of Americans.

Weigh it. This is the vote. We are not even talking about all of the tax cuts that go to wealthiest 1 percent. We are just taking about one-third of the taxes the wealthiest 1 percent will fund for this education program. This is the vote.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, I was going to ask the distinguished ranking member if he has somebody now to continue, and then we will complete it in about 15 or 20 minutes when the Senator is finished.

Mr. CONRAD. The Senator from Massachusetts would like 15 minutes.

Mr. DOMENICI. We will wait for that and follow after it.

Mr. CONRAD. We thank the chairman very much for his courtesy. I yield the Senator from Massachusetts 15 minutes off the resolution.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Madam President, I thank Senators HARKIN and WELLSTONE for bringing forward this extremely important amendment. Over the period of

this week we are going to cast some votes here in the U.S. Senate, but I doubt if there is any particular amendment that presents more clearly the question of values and priorities than this amendment does. I doubt if there is any amendment that we will consider that is more about the future of our country and that has a greater relevance to what kind of society we will become over the period of these next several years and into the future.

The numbers that the Senators from Iowa and Minnesota have talked about are very large amounts of money. But when you look at this amount in the context of educational need, these figures are not out of the ordinary. As a matter of fact, they are very modest given the number of children currently attending the nation's schools, and increases in the number of children that are going to be attending our nation's schools and colleges in the coming years.

Senators HARKIN and WELLSTONE are posing a question of priorities. That is, are we prepared to invest in the future of this country and in its children, through reducing the tax breaks for the wealthiest individuals by a third? I commend Senators WELLSTONE and HARKIN for posing that question.

I agree with those who say that money does not solve all of our nation's problems. That point will be debated here this afternoon as this amendment is considered. That point is both valid and worthy of debate. However, money is also a reflection of our Nation's priorities. This is what the budget debate is all about. This is what our votes are all about.

The amendment brought forth by the Senator from Iowa is about placing a priority on what the American family has said is their first priority investment in our nation's children and in our future.

Since fiscal year 1980, the federal share has decreased for education programs. In elementary and secondary education, the investment has dropped from 11.9% to 8.3% in fiscal year 2000, and in higher education from 15.4% to 11%. But, the educational needs of schools and communities are rising.

This chart reflects the number of children who will be entering elementary and secondary schools in the United States of America over the period of the next 90 years. The number of school-aged children will increase from today's enrollments of 53 million students, up to 94 million students in 2100.

This amendment is really about partnership—between federal, State, and local communities. The federal role should lead this partnership through recognizing that the needs of our nation's schools will continue to grow as the population in our nation's schools grows. We must ask ourselves: Does this budget reflect the growing need to invest in elementary and secondary education? Or is it business as usual—a 5.7 percent over last year's funding level. The Harkin amendment accurately reflects the realities faced by our nation's schools and universities.

Enrollment in higher education has also significantly increased. Our colleges and universities are reaching record enrollments. This year, college enrollment numbered over 15 million students, and is expected to rise over the next 10 years to reach 17.5 million in 2010.

The priority to educate all of our nation's children must begin through an investment in educating children at an early age. Various reports, including those produced by the Carnegie Commission, have shown us what a difference is made through investment at the earliest time in children's lives. Early Start, which is now being funded at 4 or 5 percent of what it should be; the Head Start program at about 40 percent, or 45 percent of what it should be; child care, 17 percent in terms of quality education.

And the list goes on.

As I mentioned, the average annual investment in education has dropped over the past years. Now we are faced, in this budget, with an increase of only 5.7 percent. That is an inadequate amount when talking about the investment needed for the children of this country.

The Senator from Iowa went into considerable detail on a number of features in this amendment, and I would also like to highlight some important points.

I would like to briefly mention the Pell Grant Program. We had a national debate in 1960 regarding aid to education programs. At that time Vice President Nixon was opposed to any aid to education, and President Kennedy supported aid to education. The President believed—and this country went on record during that time—that any student in this country who is able to gain entrance into any college or university on the basis of their academic ability should be able to do so, despite the size of their wallet or the size of their pocketbook. The President believed that students should have access to a range of grants, loans, and work-study programs, and also rely on their own individual efforts, to make up the tuition.

This commitment was reflected in the creation of Pell grants. Over the last 25 years, federal student need has shifted from a grant-based system to a loan-based system. In 1980, 55% of total federal aid for higher education was awarded through grants, and 43% through loans. In 1998, this ratio shifted to 58% through loans, and 40% through grants.

A recent study has found that the maximum award under the Pell grant program has fallen dramatically, from providing 84% of total costs at a public, 4-year university in 1975–1976, to providing 39% of total costs in 1999–2000.

Any Member of this body may visit a college or university in this country and listen to young people. What are they talking about? Are they talking about their books? Are they talking about their studies or what is happening in their lecture halls? No. They are talking about their loans and how they are going to repay their loans. Students are not talking about whether they are able to go into public service, but instead about what they are going to have to do when they get out of school.

The Harkin amendment is a downpayment for putting this country back on the road, and ensuring that young and talented Americans are not turning their backs on the possibility of higher education because do not want to be in debt, nor put their families in debt. This is wrong. It is clear that students cannot afford not to go to college.

We are all working together to ensure that every child has access to a high quality education. But let's also invest in our nation's children. Let's invest in making sure there will be sufficient resources for children to benefit from elementary and secondary education, and move on the furthering their education in colleges and universities.

We need a plan that makes increasing Head Start a priority over tax cuts for the wealthy.

We need a plan that makes full funding for IDEA a priority over tax cuts for the wealthy.

We need a plan that makes increasing Title I a program that helps disadvantaged students master basic skills a priority over tax cuts for the wealthy.

We need a plan that makes reducing class size a priority.

We need a plan that makes improving teacher quality a priority.

We need a plan that makes expanding after-school learning opportunities a priority.

We need a plan that makes modernizing and rebuilding the nation's crumbling and overcrowded school buildings a priority.

We need a plan that makes increasing the maximum level of Pell grants a priority.

We need a strong investment in education that will ensure a bright future for the nation, not a tax cut that leaves the nation's children and students behind.

We know what needs to be done now in terms of education in America. The real question is, Do we have the will? This particular amendment addresses programs that invest in children, and ensures that our future workers are going to have the skills to compete in a modern economy. It reflects the best values of the American people and the best values of our party. That value is investment in children and their futures. That is what this amendment is about. It ought to be adopted.

Mr. REID. Will the Senator yield for a question?

Mr. KENNEDY. I will be glad to yield.

Mr. REID. I have listened intently to what the Senator has said. I think the Senator has clearly said that a child's ability to be educated should not be dependent on how much money their parents have.

Is that what the Senator has said?

Mr. KENNEDY. That is exactly what I have said.

Mr. REID. Today, this week, is when students all over America are going to get notices in the mail as to where they are going to be able to go to school.

Does the Senator agree that many students who are admitted to some schools are not going to be able to go there because they cannot bear the burden of the cost of going to a finer school; they will have to go to some other school, is that correct?

Mr. KENNEDY. If I could answer the Senator's question this way. 97 percent of students in the highest achievement and socioeconomic quartile go on to 4 year college. On the other hand, only 46 percent of children achieving at the same academic level, but in the lowest socioeconomic quartile, go on to a 4-year college or university.

We, as a country and as a society, understand that education is the great equalizer. When we are faced with these facts——

The PRESIDING OFFICER (Mrs. LINCOLN). The Senator has 2 minutes remaining.

Mr. REID. I yield the Senator 5 more minutes.

Mr. KENNEDY. When we are faced with these facts, we have to ask ourselves, What should be our investment? The Harkin amendment is a comprehensive amendment. It will ensure that children are well prepared, ready to learn, and will benefit from the changes and the improvements we have made in elementary, secondary, and higher education.

The question is, Are we going to take the one-third of the tax program and do what the Harkin-Wellstone amendment has asked, or are we going to provide additional billions of dollars to the wealthiest individuals? It is a clear choice.

Mr. WELLSTONE. Will the Senator from Massachusetts yield for one other question?

Mr. KENNEDY. I yield.

Mr. WELLSTONE. There was one comment the Senator made that I think is critically important. I want to make sure I understand it well and that people understand it.

When we marked up the bill dealing with the reauthorization of the Elementary and Secondary Education Act in the HELP Committee, I think all of us went on record saying we were absolutely committed to accountability and holding students to really high standards. But the Democrats on the committee, did we not also say that we have to make sure the students, the children, and the teachers of the schools have the tools; in other words, that we make the investment so that they will have, indeed, the same chance to achieve and do well on these tests? Don't the two go together?

Mr. KENNEDY. The Senator is absolutely correct. It will be a sham if we just have the test without having the support services. We are working to ensure these important services that accelerate learning and academic achievement.

That is addressed in the Harkin amendment.

Mr. HARKIN. Will the Senator yield again?

Mr. KENNEDY. Yes.

Mr. HARKIN. I thank the Senator again for his very eloquent statement and his comments. Certainly, there is no one in either body on Capitol Hill who has worked longer and harder and, I might add, more successfully on the education of all our kids than has the Senator from Massachusetts.

When I was listening to the Senator speak, I was thinking about the prospect of kids who do not have a lot of money who want to get an education, who have achieved well in school, have studied hard. They have made their grades. They have made good grades. The Senator pointed that out in his remarks, that they would have the same desire to go to college as anyone else.

Was the Senator saying that because of the financial barriers, these kids who are high achievers—they are bright, they have studied hard, they have gotten good grades—have some shield that keeps them from advancing on?

Mr. KENNEDY. The Senator is correct.

Mr. HARKIN. And that shield is money. There are going to be other amendments that might focus on one thing or another.

My second question for the Senator: Is it his belief, from all of his long experience involving education, that we have to look at the whole? Each one of these parts isn't a whole. It is important to increase Pell grants, but that alone won't solve it. It is important to increase title I, but that alone won't solve it. It is important to increase funding for individuals with disabilities, but that alone won't solve it. Is it the contention of the Senator that this has to be put together?

Mr. KENNEDY. The Senator is absolutely correct. Over the last 15 years, as the Senator is well familiar, we have learned that a child's mind—almost from the time of birth—should have opportunities to develop. Research has shown us that we must take advantage of the new science in ways that are going to enhance the academic opportunities for these children.

The Senator's amendment focuses not only on the early learning, but also on Head Start, which serves 3- and 4-year-olds.

The Senator is familiar with the excellent hearing that was chaired by Senator JEFFORDS, and during which we learned that 98 percent of young children are receiving important support services at a young age. In Europe, for example, such services have had an important impact on a child's learning ability. That is what the Senator's amendment is about and why it is so compelling.

Mr. HARKIN. I thank the Senator.

Mr. KENNEDY. I yield the floor.

Mr. CONRAD. The Senator from Rhode Island is seeking time?

Mr. REED. Yes.

Mr. CONRAD. How much time would the Senator like?

Mr. REED. Fifteen minutes.

Mr. CONRAD. I yield 15 minutes to the Senator from Rhode Island off the resolution.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Madam President, I rise in strong support of the Harkin amendment.

Senator HARKIN understands that in America education provides the best opportunity for all of our citizens to achieve and that this country, at its best moments, should always be about opportunity. Senator HARKIN seeks to ensure that every child has an opportunity. He has appropriately titled this amendment ''Leave No Child Behind,'' because he believes sincerely, as do I, that we have to reach out, not just rhetorically but with real resources, to make sure every child can seize opportunity, which is what America is all about.

Unlike the Republican budget resolution before us, which contains only a paltry increase for education—in fact, this increase is smaller than the annual increases in education in the last 4 out of 5 years—the Harkin Amendment provides $250 billion over 10 years for education, a funding level that would truly leave no child behind.

All of our Nation's students have to be given the tools and the opportunity to excel and be successful, in effect, to live out the American dream. The Harkin amendment provides these tools and the opportunity through high quality education that spans a lifetime—from early childhood education, through elementary and secondary education, through higher education, and indeed beyond to postsecondary, lifelong learning. High quality education costs real dollars. The Harkin amendment puts those real dollars into this budget.

President Bush and our Republican colleagues claim that their proposal will leave no child behind, but simply adding accountability to our elementary and secondary schools without providing adequate resources will not do the job.

I have had many opportunities to talk with the Secretary of Education and other leaders in this administration with respect to their education proposal. They talk a good game. They talk about accountability. They talk about standards. But then when you ask them: Where are the resources? They say: Well, we really don't need resources.

That is just not the case. Every American understands that education is worthwhile and that we must invest in education, not just with words but with dollars, to make a high quality education a reality in the life of every child. Indeed, today, the Federal budget only devotes only 2 cents of every Federal dollar to education. We have to do more—not to dispossess the States and the localities of their responsibilities, but to complement and supplement what they are doing.

Today we live in a challenging, international economic order, and students from Massachusetts are not just competing with students from Mississippi; they are all competing against the very best and brightest around the globe. That requires investment. It requires raising our standards and giving every child a chance to reach those standards to ensure that we have the best-educated workforce so we can compete in this competitive global economy. That is what the Harkin amendment will do.

Specifically, Senator HARKIN would help all children start school ready to learn by funding Head Start to make it available to all eligible 3- and 4-year-olds and to expand learning opportunities under the Early Learning Opportunities Act. Making children ready to learn has been a goal of the Federal Government for more than a decade. When President Bush organized the Governor's conference, they determined that their first goal was to ensure that every child should enter school ready to learn. We have failed to achieve that goal. With the resources this amendment provides, we can strive and, I hope, attain that goal.

We also want to ensure that every child is taught by highly qualified teachers in classrooms that are not overcrowded or in ill-repair. The Harkin amendment quadruples funding for professional development, includes money for increasing our effort to reduce class sizes, and increases the resources going to school repair and modernization.

We all understand, too, that every child, including those students with disabilities, must be a part of the educational experience in a meaningful way. That means fully funding the Individuals with Disabilities Education Act.

We also understand that we have a special obligation at the Federal level to provide the most disadvantaged American children with a real chance, and that is why Senator HARKIN will increase title I funding substantially.

Then in order to complete the job, we have to ensure that all of our children with talent and ambition coming out of secondary schools have the resources and the opportunity to go to college. So, Senator HARKIN is calling for an increase in the maximum Pell grant by $600 to $4,350. He is also calling for a significant increase in other need-based student aid programs, such as LEAP, TRIO, and GEAR UP.

All of these proposals go to the heart and soul of what we should be about: giving every child the chance to learn; making them ready for school; giving them good teachers and good facilities; and then giving them the opportunity to go on to postsecondary education.

I cannot think of a more important task, one that is more central to the concerns of all Americans, and one that is more fully realized than this amendment proposed by Senator HARKIN. I support him strongly.

I will be offering two amendments with respect to education. The first I will offer, with my colleagues Senators KENNEDY and BINGAMAN, would support recent initiatives sponsored by the administration and supported by the Health, Education, Labor, and Pensions Committee, that involves testing of our students. The President has called for the testing of all students in grades 3 through 8. I understand, as so many of my colleagues do, that testing is an important aspect of education, not the sole aspect of education, but an important aspect of education. But, I have raised concerns, as have others, that these tests can dominate curriculum so that essentially children are narrowly being taught the test. And one graver concern is that these tests, because so much rides upon them, would be dumbed down or otherwise compromised so that they are not really a valid tool to assess a school's performance. They simply become a routine way to secure Federal funding.

Nevertheless, I believe we should provide the States with the resources if we require them to test every child in reading and math in grades 3 through 8.

The HELP Committee passed the BEST Act under a unanimous vote, 20–0. The bill authorizes $510 million to help States meet this mandate—$400 million for the development and implementation of annual State assessments and $110 million for administering State assessments under the National Assessments of Educational Progress. The National Governors' Association, however, has expressed concern that this level of funding is likely not enough to cover the costs. In fact, with an average testing cost of $50 per student, the real cost may be well over $1 billion. While the amount authorized under the BEST Act is a start, it is really only an initial downpayment on the true cost of implementing these tests.

From what I am hearing from colleagues in Rhode Island, high quality tests are very costly, and the State will need money to implement and administer these tests. It costs a great deal of money to administer and score the tests, to prepare schools and teachers to administer the tests, and to perform other tasks necessary to ensure an appropriate testing regime that will adequately assess the progress of children and will contribute to their education, not distract them from their education.

In Rhode Island, it has been estimated that the cost of an annual testing regime as contemplated by the BEST Act will be about $4 million a year. That is a great deal of money in the State of Rhode Island for education. That money could be used for other purposes in education. I believe if we are mandating these tests, we should at least provide for these resources.

I know a few years ago it was quite in vogue for Republican colleagues to talk about ''unfunded mandates,'' how the Federal Government was imposing these restrictions and requirements and not giving the resources to do it. I can't think of a more transparent and obvious unfunded mandate than to require each State to test each child in grades 3 through 8, which is a traditional province of the States in terms of curriculum, and not give them the Federal resources to carry out that mandate.

So my amendment would, in fact, provide the downpayment on the costs of these tests. I hope it will be agreed to because, right now, this budget does not put the dollars behind the rhetoric when it comes to State testing.

I will offer another amendment along with Senator KENNEDY that would increase our commitment to opening the doors of higher education to our neediest students. Senator HARKIN has indicated in his amendment that he understands the need to increase Pell grants and to support need-based programs. My amendment also would do this. It would increase significantly those resources that are going to programs that are designed to assist talented Americans who are economically deprived. It would increase the maximum Pell grant by $600 to $4,350, something Senator HARKIN also supports. It would increase the LEAP program, a partnership between the Federal Government and the States to provide income-based grants and aid to students going to college by $45 million to $100 million. It would increase the supplemental educational opportunity grants. It would also increase the Federal Work-Study Program to provide students with more resources as they work their way through college. It would increase the TRIO program, designed to identify talented young people, assist them to get into school, and mentor them and help them as they progress through college. It would also increase the Perkins loans capital contribution to assist universities and colleges as they reach out to individual students who need help. It would also help on the loan cancellation part of the Perkins program for reimbursement to colleges for loan forgiveness.

The amendment would also increase funding for the GEAR UP program, another early intervention program. It would also address teacher quality and recruitment through title II of the Higher Education Act by providing additional resources to help teachers better prepare themselves and help communities recruit better teachers.

All of these programs are designed to be consistent with the theme that has

been struck by Senator HARKIN in his amendment. If we believe in opportunity, we really have to invest in education. When you get down to the practicalities of school systems in this country, the rhetoric doesn't work. When you get down to the notion that they will simply reorganize themselves effectively and that will make up for additional resources, that clashes with the reality of local education.

What is the reality of local education? Well, the school committees strive for months to come up with a budget. They go ahead and they want increased professional development, and they want increased funds to improve their facilities, to fix roofs. They have made political compromises and struggles to get there. They are just about to announce it, and then they get a call—the superintendent gets a call; it is their health insurance company. They have just announced that premiums are going up 45 percent. So guess what happens to all that money for professional development, library books, and school construction; it is gone.

The virtue and the value that we offer is that we can provide these funds and fence them off, if you will, commit them to libraries, school construction, reducing class size; and by doing that, we can make real progress working with local communities.

The Harkin amendment is the most important amendment in this whole budget because it would put us on record again as saying that we believe in education, in opportunity, and we will support it with dollars and not just words.

I yield the floor.

Mr. CONRAD. Is the Senator from New York seeking time?

Mrs. CLINTON. I am, Madam President.

Mr. CONRAD. Would 7 minutes be all right?

Mr. GREGG. I ask the Senator from North Dakota, are we going to go back and forth on the time?

Mr. CONRAD. There has been no real formality here. If the Senator from New Hampshire would like time at this point——

Mr. GREGG. Why don't we have the Senator from New York speak, and then I will seek recognition after her.

Mr. CONRAD. That is very gracious. I yield 7 minutes to the Senator from New York, and then we will go to the other side.

The PRESIDING OFFICER. The Senator from New York.

Mrs. CLINTON. Madam President, I rise in support of Senator HARKIN's effort to make sure that we as a nation keep our word and that we do, indeed, make education a national priority.

The Senator has called for investing $250 billion in education programs for our children over the next 10 years. I think that is a smart investment. I think that is a sound investment. I think it is a prudent investment. I know that improving education has bipartisan support, as I know from my work on the Committee on Health, Education, Labor, and Pensions, where I serve with the distinguished Senator from New Hampshire, where the Elementary and Secondary Education Act reauthorization—now called the BEST Act—passed with unanimous bipartisan support.

I think we need to put the resources behind the title of that act. If it is to be the BEST Act, if it is, indeed, to promote education and provide the kind of opportunities that our children need in the 21st century, then we have to be sure it is not an empty program.

Higher standards will mean absolutely nothing unless we provide our schools and our students—particularly in underserved urban and rural areas—with the resources and support necessary to meet those goals. We have to ask ourselves whether this budget, absent an amendment such as that of Senator HARKIN's, will reflect and meet those priorities.

When we talk about our children's education, we know we have to start early. Does this budget include funding for Head Start, Early Start, the Early Learning Opportunities Act to the extent that our children and families need them? We don't know the details yet, but I am very concerned that what we do know seems to indicate that important programs such as Head Start and the Early Learning Opportunities Act may well be at risk.

In fact, according to the Congressional Budget Office, the administration's spending on education, training, employment, and social services does not actually include a real increase in spending. The numbers have only been adjusted for inflation, which is important and necessary to do, but that means there hasn't been money added to cover the additional children who attend our public schools and rely on these important programs. In fact, I believe it is correct to say that we now have more children in school than we have ever had at any previous time in our history. And in the absence of adding real resources, we are going to find ourselves, once we do get this budget, which I hope will be soon, having to take money away from programs such as Head Start in order to provide services for the elderly, or vice versa. Those are not the kinds of Hobson's choices, at a time of surplus, we want in order to make the best investments, pay down the debt, and provide affordable tax cuts that I think are available to us.

How do we expect children to enter school ready to learn if they don't have the best of resources at home, which many of our children don't have, and we don't help provide them through partnerships in our communities?

It is obviously clear, as Senators HARKIN, REED, and KENNEDY pointed out earlier, the research is absolutely positive that a nurturing, stimulating child care environment has enormous positive impacts on our children. I would like to see us meet the goals outlined by Senator HARKIN of providing eligible 3- and 4-year-olds the opportunity to participate in Head Start.

I also know that once our children get to school, if the classrooms are so crowded, if the teacher cannot even get to all of the children during the day, then many children who come with a disadvantage are never going to catch up. I believe we should continue the efforts we started of reducing class size and putting dollars into getting more qualified teachers into our classrooms.

With both Federal and State funding, for example, New York City has been able to reduce class size for approximately 90,000 students in the early grades. That is nearly 30 percent of our entire K-through-3 population. We know from the research that we are getting better results because of it.

Also, what we claim to be our priorities should be reflected in the school buildings for students to see. We talk about how important education is, and yet I know throughout New York and throughout America, based on my own visits, there are children going to schools in deplorable condition. We have many school buildings that are very old that need to be upgraded.

Modernization costs are soaring. This administration's budget wipes out the $1.2 billion partnership with States and localities for emergency school renovation and repair. I do not believe this is the time to be cutting funds that will help us modernize our schools, equip them with the technologies that are needed—in fact, in some instances, make them safe enough for the children and teachers who spend their days in them.

It is not enough, though, just to reduce class size and have modern, well-equipped schools. We also have to have teachers in those classrooms. We are seeing shortages throughout America. For example, in Buffalo, 231 teachers retired last year, compared with an average of 92 in each of the preceding 8 years. Most telling, Buffalo lost 50 young teachers who moved on to other jobs or other school districts.

Buffalo happens to have the oldest school stock in America. Some of the schools were beautifully built, but their walls are so thick that they cannot be wired. I have seen schools where the wires for computers come out the window and down to be hooked up.

For many teachers, these are impossible circumstances. That is why I introduced the National Teacher and Principal Recruitment Act which I believe will bring up to 75,000 qualified teachers into our highest needs school districts.

Later this week, I will offer an amendment to the budget resolution to reserve funds specifically for teacher recruitment. We have to ensure that all our teachers get the professional development they need.

My friends tell me it is just harder teaching these days. There are a lot of

circumstances that make it harder, but the fact is, if we are going to put our money where our words are, then we need to invest in our teachers, in their professional development, in their recruitment, and their retention.

We also need to be sure the Federal Government lives up to its responsibility to fully fund IDEA. Special education students should be provided with the assistance they need to meet the academic standards they are required to meet. I support Senator HARKIN's amendment which will work toward the goal of fully funding the Federal Government's share of IDEA.

Finally, I do not think there is a more important obligation than to make sure those doors to college are wide open to anyone who is willing to work and study hard. I support increasing the maximum Pell grant. I support expanding programs that will help our low-income and minority students get the assistance they need while they are still in high school, and even junior high and middle school, so they are ready to go on to college, by investing in programs such as TRIO and GEAR UP. It is imperative, especially in this economic time, to increase job training by nearly $1 billion a year. These are the investments we should be making.

I urge my colleagues to truly leave no child behind and vote in favor of Senator HARKIN's amendment.

I thank the Chair.

Mr. GREGG. Madam President, I yield myself such time as I may consume off the resolution.

The amendment offered by Senator HARKIN and Senator WELLSTONE has a number of facets to it. The first, of course, is it reduces the tax cut as proposed by the President by $450 billion over 10 years. That means it is taking money out of the taxpayers' pockets and putting that money somewhere in the Federal bureaucracy.

One of the priorities that has been set out is a desire to take from the taxpayers money the Federal Government does not actually need because the Federal Government is running a rather dramatic surplus, $5.6 trillion over the next 10 years.

The first priority the Senators laid out is education. The second priority is debt reduction. It takes $450 billion. It takes $225 billion of that and applies it to what they claim to be debt reduction as the first element.

We need to understand that under the President's proposal, all the debt that can be paid down is being paid down. President Clinton, before he left office, sent us a budget submission which told us how much the nonmarketable debt was, debt which could not be bought down by the Federal Government over the next 10 years.

I have a chart that reflects that number. President Clinton said that number was $1.2 trillion. That is debt that cannot be retired over the next 10 years. We are talking about public debt. President Bush has suggested that the nonretireable debt is $1.15 trillion. Those two numbers are important because President Bush reduces the retireable debt the maximum amount it can be reduced. In other words, he reduces it down to the $1.158 trillion.

There is not any more debt that can be bought. We cannot go into the marketplace and buy more debt unless we are willing to pay a very significant premium. The practical implication of the Harkin-Wellstone amendment is that they want to pay a higher premium to buy back debt than would have to be paid by the American taxpayers if it were purchased in the regular order of events. To accomplish the goals of the Harkin-Wellstone amendment, we would have to, as a Government, take Federal tax dollars and say to people who own American debt: We are going to pay you a premium to buy it back; we are not going to retire it in the regular order of events; we are actually going to require or we are going to ask you to pay it back to us, and because you do not have to pay it back to us and you may not want to pay it back to us, we are going to give you a premium. We end up spending more money than is required to pay down that debt. That makes no sense at all.

What the President has proposed is that we pay down the maximum amount of debt that can be paid down over this period. He has proposed buying back more debt faster than at any other time in history. This is a very significant point because there has been a lot of debate about this in this body over the last few months as to how much debt can be paid down. The problem is there does not seem to be an agreement on this point.

However, if we look at the numbers, we can conclude pretty clearly that the President has chosen a reasonable figure. Why is that?

These are the types of debt, if we were to buy them down today, on which we would have to pay a premium. The first is coupon issues, and that is $670 billion. The second is inflation-indexed issues, and that is $113 billion. The third is savings bonds, and that is $170 billion. Then comes State and local government series; that is $86 billion; bonds backing up emerging markets, the Brady bonds, $19 billion; and bonds issued as part of the S&L cleanup is $30 billion, and other bonds that are nonretireable at $63 billion, adding to $15 billion. This was not a number the President picked out of the air. It is tied to specific obligations of the Federal Government which have been determined to not be retireable.

The practical effect is you cannot get below that number when you are buying back debt. The Harkin-Wellstone amendment has proposed we go below that number; that we take the nonretireable debt number down to about $900 billion. To do that will cost probably another $50 billion. We will have to tax the American taxpayer more in order to raise money to buy back debt at a premium.

Mr. CONRAD. Will the Senator yield?

Mr. GREGG. I am happy to yield when I finish my statement.

Mr. DOMENICI. When you finish, don't yield to him. I want to be recognized.

Mr. GREGG. I will yield to the Senator from New Mexico.

Let me complete this thought. It is so important I have to complete it.

The practical implication of the Harkin-Wellstone amendment is this: The American taxpayers will have to be taxed further to pay down debt which isn't available to be bought back today because it is not retireable. So we end up, instead of saving money, costing the taxpayers money by doing it this way.

That half of the Wellstone-Harkin amendment makes no sense on its face.

I yield to the chairman of the committee.

Mr. DOMENICI. I thank the Senator for coming to the floor and spending so much time while I could not be here.

The poor American taxpayer. Every amendment from the other side wants to spend the surplus so they won't have it. Those on alert out here ought to be the taxpayers. Every time we turn around, a huge amount of money that is scheduled under our President's proposal to go to the taxpayers of America is taken away from them for another program, another activity. Another Senator comes to the floor and talks about how fixing up America will require us to do another 10 things.

Where do you think all those new things come from? They come right out of the surplus that was going to the American taxpayers.

On this particular one, listen up; the President's $1.6 trillion is diminished, not by a little bit but by $450 billion. For those who expressed a desire to have a tax cut, if you had the slightest sympathy toward the President's tax cut, understand that all of these goodies talked about don't come free. They come from somewhere. In this case, they come from the taxpayers of the United States who were going to get a $1.6 trillion tax cut.

Who knows what would be in it? Great Senators with more wisdom than I and more clairvoyance have told you how the tax cut will look. With this surplus we are sending to the tax-writing committee, the $1.6 trillion that the President is suggesting we send to the people of this country instead of spending it, we have no idea what the tax cuts will look like. No idea. That money goes to a Finance Committee that is split even stephen with Democrats and Republicans. They have to get together and write a tax bill. How do we know how it will come out? It will require Democrats to vote with Republicans for a tax bill. What will those people vote for? When the taxpayers of America hear the debate, and there is this huge song, ''don't give the rich a tax break,'' maybe they won't even give the rich a tax break. Maybe they won't even give the rich a tax break. Who knows? They will be given

a $1.6 trillion cut, if you adopt these budget numbers. Now they will be given $450 billion less.

All the Senators who spoke of all the good things we could do, they are all good things, but remember, they are not free. In this instance, they come out of a surplus that is $5.6 trillion. And we can't give the taxpayer back $1.6 trillion? We will collect $27 trillion in all kinds of taxes during that period of time. Can we not give them back 6 percent when we have this huge surplus?

I heard the other day that I have been working on budgets when they were mostly in deficits. I find it much easier to handle a budget that is in deficit than I do one that is in surplus. When we have one that is in surplus, everybody wants their hands on the surplus. I am here, maybe the only one, saying $1.6 trillion of that should go back to the taxpayer. I hope I have 51 Senators agree that is what we ought to do.

There are plenty of things that could be done by the tax-writing committees for the American taxpayer that would be very good. I will talk about one right now because it gets a lot of attention from the other side. The other side of the aisle would not argue that the beneficiaries of a growing, prospering American economy are the people. In fact, the more growth for the longest period of time, the more poor people get out of poverty, the more middle-income people climb to a higher middle income because you have prosperity and growth. When you have a surplus, what should you use it for so you can be sure you are providing prosperity and growth, which every single American, rich or poor, certainly would like? Rich, poor, middle income, whoever is sitting around their breakfast table talking, whether they are finishing up right now for April 15 with a $75,000 income or $150,000 income, what do they want? They want to keep on earning money and keep on getting more in their paycheck over the next decade.

How will that happen? It will happen if the American economy is growing so everyone has a real interest in growth, in the innovation that has led to productivity increases—everybody, rich and poor.

The average household in America is going to participate in something called marginal rate reduction. Every level of taxation will get reduced, with the bottom level getting reduced twice as much as the top level. As a candidate for President and as President, why would one ever have dreamed up that in marginal rate cuts everybody gets a tax rate cut. Would he dream it up to help one group of citizens over another? The very best advisers that we could put together were used, and we heard testimony from one in committee, Alan Greenspan.

What kind of use of a surplus is recommended? Pay down the debt as much as you can, they say. Then, surprise, surprise. They don't say, spend it, like we are. They say, if you are finished paying down the debt, cut the marginal rate for Americans under the American tax system. Why do they say it? Because if you want prosperity and you want growth and most of all what you need in today's economy is investment. Ask anyone. Ask some of your Senators, ask their friends, perhaps somebody they trust on Wall Street, ask them what is needed the most. They will say investment. How do you get investment? By cutting the marginal rates.

So everybody has a stake in it no matter what the other side chooses to call it. It is the very best thing we can do with the surplus.

Now, regarding the $1.6 trillion tax cut, since there is a continual carping about who gets the breaks, the average across America is $1,400 in the hands of the taxpayer to use for what they would like, $1,400 on average. In my State, it is $1,800 on average. I wonder what it is in the State of the occupant of the chair. I would guess it is somewhere between $1,400 and $1,800 because of the level of income. But anyway, that is speculative. The others I know.

In any event, the issue is are they apt to use that money right or are we apt to use it more right by spending it the way that is being proposed in this amendment?

I believe I do not have to answer that question. I believe the American taxpayers will answer that question: You give us our $1,200, $1,400, $1,600, or whatever we get in a marginal rate cut. We will spend it better than the Government is going to spend it on new programs or additions to programs that are already adequately funded.

I want to look at this one more time for anybody who has listened to those on the other side of the aisle. Here are President Bush's numbers. We have done it as well as we can to put it in our budget. The first number in red, $5.6 trillion, is the surplus, an incredible surplus—in this Senator's opinion, a credible surplus. If we argue which is most apt to happen, I would say that is most apt to happen, $5.6 trillion, because there are others that might happen. It might be $12 trillion—that is what the economists say—or it might be $1 trillion or $800 billion. But if you ask them what is it the most likely to be, they say use that number.

We take Social Security out of it and that leaves a surplus for the rest of Government of $3.1 trillion. The Bush-Domenici budget said there was plenty of support for it. I could name everybody else on it; it is just I happened to put his budget into language in a resolution.

So the next thing we do is take off the $1.6 trillion we want to give back. Write the tax bill however you want. We send an even number of Democrats with an even number of Republicans to the Finance Committee and they will have to worry about how to spend that $1.6. So anybody who thinks they have that formula, they have to wait around for a couple of months and see what that next group of Senators does with the tax bill.

I repeat, the numbers are even Stephen in that committee: 11 Democrats, 11 Republicans.

Just follow down. The rest of these are pretty obvious: Available for other priorities, $1.5 billion: Medicare/prescription drugs. Make sure you keep the surplus in the health insurance program. And then debt service, for $400 billion, and, lo and behold, there is $500 billion of contingency fund left over.

Let me repeat. Whenever you have a surplus and whenever you plan to give some of it back to the American people, rest assured, it will be a very hard fiscal policy—it will be very hard to get the work done on the floor because everybody wants a fistful of that surplus. Not for the taxpayers; it is for other things that they are certain the Government will fix if we just have more money for the Government to spend.

I will give one other example. You might wonder, hearing the debate, how much more we need. Somebody out there watching might have said it would be interesting to know how much you are spending. Since we are talking about what you want to spend in addition, it must be in addition to something. I thought we would just say what has happened to education nationally and what is going to happen under President Bush, so everybody who has been hearing these debates about all we want to do for education, remember, it all comes out of the taxpayer's hide. Here it is, starting in 1998, 29.9; 1999, 35; 36, 42, and then the President's request of 44.5. That is a 10.6-percent average increase. So education is getting a pretty good chunk of money and the President has asked for $2.5 billion more than we are spending this year.

I could get up here and list 25 new education programs and say we need more. But let me see the next chart and I will be finished. President Clinton requested $34.7 for education. Congress gave him $35.6. In 2001, he requested $40 billion; we gave him $42 billion. In 2002, he asked for $40.1 billion—interesting, no increase in President Clinton's budget—we increased it from 42.1 to 44.6.

There was a whopping 25-percent increase. If there is anybody who thinks we are not helping education, from 2000 to 2002, we will have increased it 25 percent. I am not standing here saying education does not need more money, but I am wondering, when the Federal Government is putting in the largest share each year in education, largest increase in decades, whether or not the taxpayer ought to not be looked at to get the next piece of money out of that surplus, when we are already taking care of education quite well.

So everybody ought to know when my friend Senator WELLSTONE gets up

and talks about all the things he would do, I say to Senator LOTT, he has 20, 30, 40 things the Government ought to do that he thinks would make life better. Let me remind everyone, you have to get that from somewhere, and there are only a couple of places to get it. One place to get it is to reduce what the taxpayers are going to get; just take it out of that pocket and decide we have something much better to do with it than do the taxpayers.

We plan to give back to the American people over a decade—not tomorrow, not the next day—over 10 years, $1.6 trillion out of a surplus of $5.6 trillion. This amendment, with all the things that have been spoken about that we will be able to do, takes $450 billion right out of the taxpayers. The taxpayers had a little pool of money they thought they were going to get back. It amounted to $1.6 trillion. This will cut it to $1.150 trillion—just like that. If you do not think this is an important amendment for the taxpayers, just think about that. It is a pretty big change in what they might have been expecting, what the business community, through the lowering of marginal rates, might have expected to get the American economy going permanently. That is going to be reduced by $450 billion.

Think carefully, Senators, when you vote on this. Have we increased education? Absolutely. Does the President intend to increase it? Absolutely. Does he intend to increase special ed? Absolutely, to the highest levels, percentages in many, many years.

You have seen them up here. The facts are the facts. The Senator from New Mexico is not saying you could not spend more on education, but I suggest it is time to put the taxpayer right up there with any new program add-ons and ask: Don't they deserve to be considered up there with any program? It is their money and they clearly ought to have a chance to spend it.

With that, I yield the floor.

Mr. WELLSTONE. Mr. President, this amendment includes provisions that I believe, as the Ranking Member of the Senate Health, Education, Labor, and Pension Committee's Subcommittee on Employment, Safety, and Training, are an essential part of fulfilling promises we have made to the American people. As part of changes we made to the welfare laws, we said to families who were on welfare that if they went out to look for a job, we'd make funds available for training and counseling to help them reach that goal. We have said to workers who have lost their jobs through economic dislocation and down turns that we would make funds available for training and counseling to help them find a new job or start a new career. We have said to the young people in our communities that we'll make funding available to help them reach their full potential and become productive members of their communities.

This was our promise, training, counseling, and other services to help families move out of poverty, move off of welfare and into good paying jobs.

And we funded that promise, last year in the amount of $6.1 billion.

Now, however, although it is somewhat difficult to tell because we have not seen the President's budget, it appears that this Administration wants to cut these funds by nearly $1 billion.

That is totally unacceptable. We need an increase in funding for these important workforce training programs—not a decrease. We need to fully fund our promise to working families. We need to tell the working men and women of this country, and the young people seeking to better their lives, that we believe in them, that we will support them.

That's what this amendment does. It fully funds our promise to the working families of this country. In particular, it 1. restores the nearly $1 billion that we believe may be cut from workforce training programs in this resolution and in the President's proposed budget, and 2. adds an additional $900 million a year for ten years to fund adult, youth, and dislocated worker training programs under the Workforce Investment Act.

These Workforce Investment Act programs that we're trying to protect, and expand funding for, make a huge difference in people's lives. Let me give you just a few examples.

Judy Lundquist from the Minnesota Workforce Center in Grand Rapids shared this story with me:

> For less than $1,000 we were able to train Bridget as a Nursing Assistant, she had been a seasonal cabin cleaner earning less than $2,000 a year, living in housing without electricity or running water. Her husband had injured himself while working for an employer that did not carry worker's compensation and was unable to work in the logging industry as he had been prior to his injury. On the day she passed her Nursing Assistant Certification Test she obtained full-time work. I saw her just before Christmas at Wal-Mart with a shopping cart full of low cost Christmas Presents. They have moved to housing that is more appropriate and actually has running water. Once they moved and were able to afford a telephone, Bridget's husband was also able to find appropriate work.. We have more than recovered the cost of her training in taxes on her earnings. We also trained someone to help fill the urgent need in our community for qualified Nursing Assistants.

And from Hennepin County's Training and Employment Assistance office comes this account:

> Timothy, a 41 year old unemployed factory worker, applied for WIA services hoping to obtain any type of work quickly. He had left his assembly job after ten years because he was very discouraged about continuing this type of work. Timothy had been unemployed for four months and was despondent about his situation.
>
> Through WIA counseling and assessment, it was determined that Timothy had skills and aptitudes for a new career. Timothy had obtained a degree in Divinity 17 years earlier, but had never attained a position related to this degree. He had, however, been active as a church member in many service activities.
>
> Timothy established a job goal of human service counselor. His WIA counselor assisted him in revising his resume and conducting a job search using the career resource room, job opening information and internet job search engines. After three months of participation in job search workshops and interviewing, Timothy was hired as an admissions counselor for an education institution.

And from Workforce Solutions in Ramsey County, we hear this about assistance to dislocated workers:

> Our federal dislocated worker program is funded to serve, in this current program year, 277 individuals. One of those individuals, Steven E. came to us having been laid off by a health care institution. He originally worked in the nursing field. When he reached our counseling staff, not only was he suffering from nearly 12 months of unemployment but chemical dependency and the impact of a recent divorce. Our staff, through intensive and support services, managed to get him into chemical dependency treatment and worked to upgrade his nursing certificate and licensure. He also participated in grief and stress support groups to address his personal life issues. Because of the WIA funding, he successfully completed his nursing licensure upgrade, and the chemical dependency treatment. Four months ago, he was hired by the American Red Cross working for their blood collection and distribution program.

And finally, from Central Minnesota Jobs and Training Service in Monticello, I hear this about the need for funding of youth training programs:

> [A] decrease in funding to the youth programs has a significant effect on the number of youth that are able to be served and the amount of services that are provided under the WIA program. Offering long term services, meeting performance standards, offering at a minimum of 12 month follow-up and retention services, and incorporating all of the new WIA youth elements, has increased the amount of staff time per participant and has limited the number youth to be served compared to past practices. All of the new initiatives are necessary to meet the needs of the youth and long term services is beneficial to their success. Without additional funds, there will be a limited amount of new participants being enrolled into the program in the coming years. The funds will be used to work with youth already enrolled in the program for many years and to offer comprehensive follow-up and retention services.

The State of Minnesota included the need to increase funding for Workforce Investment Act activities in their ''Federal Priorities for 2001.'' These programs are vital to meeting our promises to the American people, promises to move families out of poverty, off of welfare, and into good paying jobs where they can earn a living wage. We must honor those promises by supporting this amendment.

Mr. BAUCUS. Mr. President, today I rise to express my strong support for adequately funding federal education initiatives.

''Education is,'' as historian Henry Steele Commager said, ''essential to change, for education creates both new wants and the ability to satisfy them.'' In this ever-changing world, it is vitally important that we make sound investments in education. The investments we make today will count every day in our kids' lives.

We have a real opportunity to greatly assist our schools by providing them with additional resources to help them meet the challenges they face. In my home state of Montana, schools are faced with declining enrollments, teacher shortages, rising energy costs, and substantial infrastructure needs. These are real needs that we as a nation can help address.

Providing additional resources to help schools educate students with special needs, to recruit the best teachers, to repair or renovate buildings, and to educate disadvantaged students will greatly help educators in Montana and around the country concentrate on delivering the best education they can to our students.

Senator HARKIN's ''Leave No Child Behind'' Amendment goes a long way towards providing for these needs, making comprehensive investments in education programs from pre-school to college.

This bill will help ensure that all children start school ready to learn by investing additional resources in Head Start programs. In Billings, Montana, the Head Start facility is inadequate for the number of students it serves. In fact, they can only keep their doors open through April, when most Head Start programs are able to stay open throughout the school year. Providing additional Head Start funding will help give more kids in Billings a chance to start school ready to learn.

This bill also provides for full funding for the Individuals with Disabilities Act (IDEA). Providing this additional funding, a share that we have repeatedly promised to states and schools, would free up local and state education funds that are currently used to cover the cost of educating students with disabilities. With this additional federal support, schools and districts will be able to better address local education priorities.

This bill also substantially increases funding for professional development opportunities for teachers, allowing them to enhance their knowledge and skills. Providing teachers with these opportunities will help teachers help be even better teachers and will let them know that we care about their personal education needs.

Montana schools and teachers have had to do too much with too little for too long. I want to make sure I am doing all I can to help Montana schools overcome their challenges and focus on providing the best possible education to our students.

The price may seem high. But the price we're paying by not investing in our education system—by not equipping our students with the skills they will need to be successful—will be one we'll have to pay year after year.

There can be no doubt that our education system plays a pivotal role in establishing our quality of life and the quality of life our children will enjoy.

John F. Kennedy once said, ''Our progress as a nation can be no swifter than our progress in education.'' Strengthening our education system is a responsibility all of us share—as individuals and as a nation. Let's call on each other to offer our resources as we build a better, stronger country through our commitment to our education system.

Mr. KENNEDY. Mr. President, I am pleased to join Senator SPECTER and Senator HARKIN in sponsoring this important amendment to provide the National Institutes of Health with the resources it needs to continue its life-saving mission. In a historic vote in 1997, the Senate pledged to double the funding of the NIH over the next five years, and Senator SPECTER's amendment represents the fulfillment of that pledge for the coming fiscal year.

The resources we devote to NIH are a basic investment in a healthy future for all Americans. Biomedical research supported by NIH has given us medical miracles undreamed of by previous generations. An irregular heartbeat once meant a lifetime of disability. This condition can now be corrected with a pacemaker so small that it can be inserted under local anesthetic using fiber optic technology. New drugs now allow many seniors to live a full and active life who once would have been disabled by the terrible pain of arthritis. Transplants save the lives of thousands of patients who once would have died of kidney failure.

Even more astonishing discoveries will be developed in the years to come. New insights into the genetic basis of disease will allow treatments to be developed that are custom-made for an individual patient's genetic signature. Microscopic cameras are now being developed that can be swallowed by patients to give doctors an accurate view of the patient's internal organs without the need for risky surgery.

I'm proud that Massachusetts is leading the way to this remarkable future. Our state is home to many of the nation's leading biomedical research institutions and receives more than one out of every ten dollars that NIH spends on research, or over $1.5 billion last year alone. NIH grants support essential research all across the Commonwealth. In Boston, researchers supported by NIH discovered a link between the immune system and the brain that may lead to better treatments for diseases like Parkinson's and multiple sclerosis. In Worcester, NIH funds are helping to build a new center for cancer research that will become a leading center in finding a cure for that dread disease.

Investment in research is the foundation on which the state's thriving biotechnology industry is built. There are more than 250 biotech companies in Massachusetts that give good jobs to thousands of professionals across the state. These companies are an important partner in the nation's commitment to promoting the health of all our citizens.

The future of biomedical research is bright, provided that we continue our strong national investment in discovery. Senator Specter's amendment will give NIH the resources it needs to turn the breakthroughs of today into the cures of tomorrow, and I urge my colleagues to support this important legislation.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. LOTT. Madam President, I have a unanimous consent request I would like to propound to see if we get agreement. I believe Senator DOMENICI and Senator CONRAD are familiar with it and are prepared to proceed on this basis.

I believe we have all signed off on this.

I ask consent a vote occur in relation to the pending amendment at 3 p.m. today, and the time between now and then be equally divided, and no other amendments be in order prior to the vote.

I further ask consent that the next four amendments in order to the substitute be the following in the following order: Specter regarding NIH, Landrieu regarding defense, Collins regarding health—home health, and Conrad or designee regarding debt reduction.

Mr. REID. Reserving the right to object, if I could say to the leader two things. One, we have a slight problem. The fourth amendment will be a Democratic amendment. We will let you know what it is; we have a couple we are kicking around—a Democratic amendment.

Mr. LOTT. Let me make sure I understand what you are saying. This indicates Conrad or designee amendment regarding debt reduction. Are you now saying it may not be about debt reduction?

Mr. REID. It may not be. There is a small universe. We will let you know what it will be.

Mr. LOTT. If I can then modify my consent, that we line up the next three and we confer further on what the next couple will be after that?

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

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

Mr. LOTT. Madam President, again for clarification, I believe that we have worked it out so we can go back to the original request identified as Specter on NIH, Landrieu regarding defense, Collins regarding home health, and Conrad or designee regarding debt reduction.

Of course, these amendments would be subject to the usual rules, and second-degree or some other agreement as to how they would finally be disposed.

Mr. REID. Madam President, Senator DORGAN has been waiting here literally

all afternoon. If we could give him 15 minutes, since he has been waiting since 12:30 today to speak.

Mr. LOTT. Madam President, I am not sure exactly who we may be trying to accommodate. But I feel compelled to want to make some remarks out of leader time, if I have to. I think the best way to do it is to extend the time to 3:15, with the time equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. DORGAN. Reserving the right to object, I don't mind extending and dividing it. I only intend to have an opportunity to speak for a sufficient amount of time. If that accommodates my interest, I ask my colleague from North Dakota, it is fine with me. If it doesn't, I will object.

Mr. LOTT. I think it accommodates your interest.

Mr. DORGAN. I am asking the Senator from North Dakota.

Mr. CONRAD. Let me say, as I understand it, that we would then have less than two 2 minutes left. I ask the Senator from North Dakota how much time he would like.

Mr. REID. How about 3:20?

Mr. CONRAD. And have it equally divided.

Mr. LOTT. Absolutely, Madam President.

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

Mr. LOTT. Madam President, I will try to set the example of not speaking at great length hoping others will follow. I am hoping that maybe the points I make will be sufficient without it being at great length.

My colleagues, I haven't spoken about the budget resolution because we are dealing with a lot of different issues and I have been meeting with foreign dignitaries and because I have such ultimate confidence in the managers of this legislation. Senator DOMENICI doesn't need a speech from me or help from anybody. But we are here to be helpful.

I want to make two or three points that I am really worried about.

Are we fiddling around here while Rome is beginning to burn?

Today, and during the last couple of days, I have been talking with people who are watching the stock market. Who knows what causes the stock market to move around? But I have also been talking to financial service managers from companies that watch very carefully what is happening in the country and in the economy. I have been talking to representatives of manufacturers. They are telling me that the economy is perhaps in more trouble than any of us want to acknowledge.

I ask the question: OK, what do we do about it? Obviously, one thing is for the Federal Reserve System to do more. That is one of the places where I have over the years quite often agreed with Senator DORGAN in my exasperation sometimes with the Federal Reserve System. I am not an economist. I wouldn't presume to try to give advice to the Chairman of the Federal Reserve Board or any others.

But it looks to me as though instead of being overly focused on the possibility of inflation, we are entering a period of deflation—deflation. We need the Fed to give us a little more of a hand while we bring in the cavalry with some additional help.

The only two things to do when you are having sluggishness in the economy is change monetary policy or change fiscal policy. Give it a stimulus—i.e., tax relief.

Everybody on both sides of the aisle has been saying: yes; let's do more. Let's do more now. Let's do it this year. Let's make sure it is going to have a greater impact in the next 2 or 3 years so the people will have confidence, and so they can keep more of their money safe and invest it, and do something about the economy.

We have two choices. The Federal Reserve can do something and/or we can do something.

I think it is time that we pay a little attention to trying to find a way to give this tax relief, give this fiscal boost, and do it quickly.

That is my greatest concern and why I feel compelled, as I watch what is happening even today with the NASDAQ, what is happening with manufacturing jobs, and what is happening with deflation beginning to creep up on us, to say I think we have to do more.

Two other points: The pattern is clear. I have been in Congress for 28 years—the same number of years as the distinguished Senator from New Mexico. Only I spent a few years—16 years—on the other side of the Capitol.

What we are going to have now is amendment after amendment after amendment on both sides to add more spending—there is nothing new about that—and in areas about which I believe very strongly. Mississippi is a State with agriculture that is very important.

I have always thought of myself as a heavily laden hawk when it comes to defense. But I also like to think of myself as a cheap, heavily laden hawk.

We can all say we voted to spend more here or more there. That is the point.

We are on the verge of everybody saying let's spend more. Let's have more for defense, education, home health care, NIH, health care in general, you name it. We get very comfortable when we start raising the level of spending.

But there is an added problem to it now. One amendment after another says: Oh, and by the way, we will pay for it by taking hard-working people's money away from them, bring it to Washington, and keep it here and decide how it is going to be spent. We are taking from millions of laborers the bread that they have earned and bringing it up here.

What is new? We have been doing this for years. Spend more, raise taxes, or in this case reduce, and pretty soon, if we passed every amendment that has been offered to cut the tax bill, it would be a tax increase.

What is happening? I hope we will think about that and try to stop it.

The amendment before us would reduce the tax cut by $448 billion and increase spending for education, and supposedly accumulate cash. But the fact is, once again, the tax relief would be reduced and more moved into education.

I am not going to take a back seat to anybody when it comes to education. I am the son of a schoolteacher. I went to public schools all my life. I worked for the University of Mississippi in four different capacities before I began practicing law.

I believe in public education, and quality education across the board; not just public education but choice. There is lots of variety in my area. Some of the best schools are Catholic or Episcopal schools.

I feel strongly about education. But the question is, How much is enough? How can we do it all at once with a 25-percent increase, as the Senator from New Mexico was just saying?

The President is asking for an increase. We are going to come back after the Easter recess, and we are going to go to an education bill which may be the most bipartisan bill of the year and which is going to have more spending in it. It is going to be thoughtful. It is going to have reform, accountability, teacher training, and all the different components. Yet here we are once again. Oh, yes, we will take out money for agriculture and from the tax relief. We will take out money for education.

My colleagues, it is the same thing we have been doing over all of the years. It is time to stop it.

This is the worst time to be talking about cutting down or eliminating tax relief.

I spoke this morning to the heads of a couple of major companies—J.P. Morgan and Dean Witter. I don't know what the current names are because they are so long. We talked about what we can do. What can we do? They said we support the tax relief and the sooner the better.

I oppose this amendment because I think if we don't do it, we will wind up with no tax relief at the worst possible time, and we will wind up spending the entire surplus. This is a balanced package. It reduces the debt. It provides increases for defense, education, agriculture, and it provides tax relief for working Americans.

There is the sign of good government in this budget resolution. Remember this: We get all overwrought about this. This is just the whistle at the beginning of the game. This allows us to go forward and decide how much we are going to put in appropriations for Interior, for Agriculture, and also the tax relief package. This allows us to just go forward to give the President a chance to have his program considered.

I express my support for this package, express my appreciation to Senator DOMENICI, and urge the defeat of this amendment and all amendments that are going to keep trying to increase spending while cutting tax relief for working Americans.

Thank you. I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Madam President, I remind the majority leader that we offered, last week, to spend this week on a stimulus package. That is the offer we made. We said: Look. We believe we ought to spend this week doing a stimulus package. Don't hold it hostage to a 10-year budget plan. Let's do it now. Let's provide some lift to this economy now. And it was rejected on the other side.

Now they come on to the floor, and all of a sudden they are for taking immediate action on a stimulus package. Where were they on Friday when we made the offer to spend this week on a stimulus package? That is what we should have done. That would have been the right course for the economy. That is what we proposed and they rejected.

Second, on the notion that this President somehow proposed a 25-percent increase for education, that is not so. The chart of the chairman of the Budget Committee shows very clearly the President proposed a 5-percent increase—not a 25-percent increase, a 5-percent increase. Some of us do not think it is enough to deal with the education challenge facing this country.

Third, the majority leader is using language very loosely, and that is a dangerous thing to do. He is suggesting that somebody out here is talking about a tax increase. No one is talking about a tax increase—no one. What we are all talking about is significant tax reduction. We have even agreed on an amount of tax reduction for this year to provide stimulus. But we do believe that over the 10 years in the future the President's tax cut is too big; that it threatens to put us back into deficit; that it threatens to raid the trust funds of Medicare and Social Security. And that is no longer just a worry; that has become a reality.

The two amendments that have been adopted out here—to increase spending on prescription drugs and to increase spending on agriculture—because of the way they were done, raid the Medicare trust fund in the years 2005, 2006, 2007, and 2008—and it is all in their numbers, and it is just as clear as it can be. They are into the trust funds already, exactly what we said would happen.

I thank the Chair and yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. Madam President, the Senator from North Dakota is next, and he is yielded 12 minutes.

The PRESIDING OFFICER. The Senator has 11½ minutes.

Mr. BYRD. Madam President, would the distinguished Senator yield to me for 3 minutes?

Mr. CONRAD. I cannot, I say to the Senator, because we have the prior agreement. Senator DORGAN has been here for 2½ hours.

Mr. BYRD. But I wanted to ask the majority leader a question while he was on the floor.

Mr. DORGAN. Madam President, this is a very interesting debate. You never know when you come to the floor of the Senate whether you are going to be informed or entertained. And sometimes it is a portion of both.

I want to respond to a few things that my colleague from New Mexico said recently. I have great respect for him. He does quite a remarkable job steering the budget on that side of the aisle.

A couple things. One, this surplus for 10 years, if you listened to the Senator from New Mexico, and did not know it, you would believe that surplus was in a bank across the street. Why, that is money that is already here. That is locked in. We have that surplus handled.

The fact is, that surplus represents estimates by economists, some of whom cannot remember their home address, but they know what is going to happen 2, 5, 10 years from now. We know better than that.

My colleague mentioned Alan Greenspan. Ten months ago, Alan Greenspan increased interest rates 50 basis points. Why? Because he was worried our economy was growing too fast. Now he is worried we might be heading toward a recession. He could not see 10 months ahead. We can't see 10 months ahead. I do not know, now maybe there is a Ouija board or tarot card or palm reader someone got ahold of someplace that gives them more confidence than the rest of us about what is going to happen in the future.

I hope we have 10 years of surplus, 10 years of economic growth, but I sure would not bank on it. We would be smart to be reasonably conservative in the way we deal with these estimates.

But I want people to understand, when they listen to this debate, it is as if this surplus is in the bank, and it is not, and those who seem to allege it is know that it is not. That is No. 1.

No. 2, my colleague said: We are going to collect $27 trillion in the coming years; we surely can provide a reasonable tax cut out of that.

I do not think he meant to include $27 trillion. Madam President, $9 trillion of that belongs to Social Security and Medicare. The people who pay that in, pay it in to a trust fund with the expectation that those who handle it will do so responsibly; that is, not spend it for other things but to save it in a trust fund.

I do not expect that the Senator, or others, intend to say that $9 trillion is available to be discussed with respect to a tax cut, and yet they do. It is not right. They know that.

Then the issue of debt. I want to talk about the education issue in a moment. I would like to ask my colleague from New Mexico a question. And I would ask my colleague from North Dakota a question.

What I show you is a description of what President Bush sent us from the Office of Management and Budget. And this is the budget resolution we have on the floor. On page 5, line 19, it says: Public debt. Public debt grows from fiscal year 2001—that is the year we are in—$5.5 trillion, to fiscal year 2011, $6.7 trillion.

Let me show what it looks like on a graph.

Now I will ask a question, if someone would come to the floor from the other side so we can examine why they say you can't pay down additional debt: If during the 10 or 11 years of their budget resolution the gross debt is increasing, and if they say it is not, go to page 5, line 19 of their resolution.

In fiscal year 2011, they say that gross public debt is going to be $6.7 trillion. Is gross public debt increasing or is it decreasing?

We know the answer to that. No one will come to the floor to talk about it. I hope my colleague, Senator CONRAD, will allow us some time when perhaps our colleagues are on the floor—the Senator from New Hampshire, who spoke on this at some length earlier, or the Senator from New Mexico, who said we can discuss this.

There is not enough debt out there to repay? Maybe we can find some on page 5 of your resolution. Maybe we ought to start paying a little on that. Because your debt is increasing.

We will talk more about that when someone will show up to answer a question. I hope we can have a discussion about that.

I happen to think, when we talk about values, that one of the values we ought to think important is that if during tougher times you run up a debt, during better times you ought to try to pay it down. And debt is not just debt held by the public; it is all debt incurred by the Federal Government, all of the Federal Government's liabilities. And this, on page 5 of their own resolution, describes an increase of over $1.2 trillion in indebtedness or liability by the Federal Government.

Let me turn to this amendment because we are obviously not going to have a discussion about this at the moment. The question of whether ''Leave No Child Behind'' is a bumper sticker, a political slogan, or public policy, is what we will answer in this Chamber. Perhaps there are some who embrace all of that. There are some who certainly would use it as a bumper sticker; some as a political slogan.

How many are there in this Chamber who will embrace ''Leave No Children Behind'' as public policy? That is the question. We can all describe our experience with education. And for those

who trash our education system—and there are many who do it all the time—I ask them, how do you think the United States of America came to this moment in history? How do you think we arrived at this moment? Might it not have been because we have a universal system of education in which we have a public education system that says every child in America—no matter from where they come, no matter how fat or thin the wallet of their parents, no matter their circumstances in life—can be whatever their God-given talent allows them to be as children of this great country? Isn't that perhaps what has given us this opportunity to arrive at this moment in history?

Do we have challenges in this system of education? You bet we do. Should we fix them and address them? Absolutely. Can we do that just by talking? No. No. It takes some money to keep good teachers. It does take some money to reduce classroom sizes so kids are in a classroom of 15 or 18 students, not 30 or 35, so they are in a school that is well repaired, not in some sort of a trailer outside the school, in mobiles that are ill-equipped.

We need to do right by our children. That is what this debate is about. My colleagues have offered an amendment I intend to support. I am happy to support it because it moves us in the right direction. You can't talk about these issues without understanding a requirement to address them boldly.

It is interesting; all the debate on this is about spending. If you don't believe that investment in our children is an investment in this country, then you don't understand anything about the management of money. There is a difference between spending and investing. When we do right by our kids, when we strengthen America's schools, we invest in this country's future. It is just as simple as that.

Some say this is a tradeoff, this is an offset issue; it is between tax cuts and education. We will have a debate about tax cuts at some point. I happen to think we should have a tax cut. My colleague just described our offer to use this week for an immediate tax cut to provide some fiscal stimulus. The other side didn't want to do that. Now we have heard they would like some fiscal stimulus. We offered that, but they didn't want to do that.

We will have a tax cut. We ought to do it in a way that is fair to all taxpayers. We ought to do it in a manner that gives this economy a boost. It is not a circumstance where every single dollar is offset to make a choice between a tax cut or education. There are some of us who believe that if you add the payroll taxes paid by individuals and the income taxes paid by individuals and if the top 1 percent of the American people who have done very well—and God bless them—paid 21 percent of that, and the majority party says, we want to give 43 percent of the tax cuts to them, we say: Wait a second. That is not something we ought to do. That is not a fair tax cut.

We are going to have that debate at some point. But we ought to be able to provide a tax cut and also do right by our children and strengthen America's schools.

The Harkin amendment has $225 billion for education and also $225 billion for debt reduction because he also values not only investing in our kids by strengthening our schools but addressing this issue as well.

My hope, I say to my colleague from North Dakota, Senator CONRAD, and also the distinguished chair of the Budget Committee, is that we can have a good discussion about this issue of debt, the increase in the gross Federal debt. I don't know that we can have it at this moment because we are headed towards a vote.

I would like very much to spend some time understanding how one rationalizes the increase in debt and the increase in liabilities in the Federal budget as outlined on page 5, line 19, of the majority budget—an increase of $1.2 trillion in indebtedness—how one rationalizes that with this notion that we have $27 trillion, according to them, in income.

We have surpluses that are almost locked in a bank, and they have the key in their pocket, and they have apparently used a Ouija board to discern what is going to happen in the coming 10 years. I would like to understand the rationale of all of this. I think it is time to talk straight about all of these things in terms of what we have available, do it conservatively, and then make cautious judgments about what will strengthen and improve this country. Yes, a tax cut will; I support one. Yes, paying down the Federal debt will, and I support that. And yes, investing in America's schools will strengthen this country, and I believe we ought to do that as well.

Madam President, this will be an instructive debate, and it will be an opportunity, as we vote, for people to tell us, is ''Leave No Child Behind'' a bumper sticker or is it real public policy this Senate embraces.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from New Mexico.

Mr. DOMENICI. Madam President, I believe I have 5 or 6 minutes remaining; is that correct?

The PRESIDING OFFICER. The Senator has 6 minutes remaining.

Mr. DOMENICI. We then go to a vote under the UC, as it exists.

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. So Senators should know that that is about the time we are going to vote. I want to make sure they know that because they have been waiting.

First of all, I think we ought to be careful about accusing the other side of speaking loosely. I can see about 10 examples in my mind's eye of saying they spoke loosely. I choose to say they spoke what they believed and we speak what we believe. I don't think it is loosely; I think it is very deliberate, and it is very thoughtful on both sides.

I have a rough estimate, so the American people will know. We are going to spend $44 billion on education this year, the National Government. We are going to spend $500 billion over the next decade. That is half a trillion dollars. So the point of it is, while some may not think that is enough—and maybe I would even join in saying we ought to do more—I think we are on a pretty good growth path for education. And everybody should know that over the next decade we are a small contributor to education. That is the way it has been. We are between 6.5 and 7.5 percent of public education. So everybody will know the dimension of our involvement.

Nonetheless, we are going to spend half a trillion dollars. It will be growing substantially each year. The point I am trying to make is, at some point you have to raise the level of the concern for the taxpayer to an equal level with those who would increase spending from what is already a very high level of spending. So the American people should know we are spending a lot on education. It is going up each year. I just showed how much. And it is going to continue going up. Should we not at some point in time bring the taxpayer into this and say: OK, Mr. and Mrs. Hard Working American, would you like to get some of your tax dollars back or would you like for us to take every program that sounds good, no matter what the level of spending nationally, and let's add some more to it, and then we will consider you later on? I don't think that is what the American taxpayer wants.

In fact, I think they want a fair break out of this, and a fair break is over the next 10 years giving them back 6.4 percent of what they pay in in taxes. That is what we are talking about. When we get away from the big numbers and get into 6 cents out of every dollar, we are talking about 6 percent, giving 6 percent of the tax taken from the taxpayer back to the taxpayer over the next decade when we are running very big surpluses.

Frankly, I will answer one further insinuation. The insinuation is that the Senator from New Mexico is talking about these surpluses as if they were there tomorrow. I believe they are as good estimates as we are ever going to get, and there is a high probability that they are going to be right. But if the estimates are not any good, then they ought not to be any good to add spending based on them either.

So if you have something down here where you want to spend half that tax money on new programs, you ought to be thinking, maybe the tax surplus is not real. We don't want you to think it is real because we don't want you to use it for tax dollars, but we would like to use it for something else.

With that, I yield back any time I might have.

Mr. CONRAD. Is there any time remaining?

The PRESIDING OFFICER. The vote is to occur at 3:20 by previous order.

Mr. CONRAD. I ask that Senator HARKIN be given the last 2 minutes.

Mr. DOMENICI. I object. I don't know why we ought to do that. Then I get 2 minutes, too. You have been arguing for about an hour more than we have on this amendment. I just think, being fair, we are finished. I yielded back my time. That is why we still have some time left. I could have still been talking.

Mr. CONRAD. All right.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 185.

Mr. CONRAD. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 53, nays 47, as follows:

[Rollcall Vote No. 69 Leg.]

YEAS—53

Akaka	Dodd	Lieberman
Baucus	Dorgan	Lincoln
Bayh	Durbin	Lott
Biden	Edwards	Mikulski
Bingaman	Feingold	Murray
Boxer	Feinstein	Nelson (FL)
Breaux	Graham	Nelson (NE)
Byrd	Harkin	Reed
Cantwell	Hollings	Reid
Carnahan	Inouye	Rockefeller
Carper	Jeffords	Sarbanes
Chafee	Johnson	Schumer
Cleland	Kennedy	Specter
Clinton	Kerry	Stabenow
Conrad	Kohl	Torricelli
Corzine	Landrieu	Wellstone
Daschle	Leahy	Wyden
Dayton	Levin	

NAYS—47

Allard	Fitzgerald	Murkowski
Allen	Frist	Nickles
Bennett	Gramm	Roberts
Bond	Grassley	Santorum
Brownback	Gregg	Sessions
Bunning	Hagel	Shelby
Burns	Hatch	Smith (NH)
Campbell	Helms	Smith (OR)
Cochran	Hutchinson	Snowe
Collins	Hutchison	Stevens
Craig	Inhofe	Thomas
Crapo	Kyl	Thompson
DeWine	Lugar	Thurmond
Domenici	McCain	Voinovich
Ensign	McConnell	Warner
Enzi	Miller	

The amendment (No. 185) was agreed to.

Mr. LOTT. Mr. President, I enter a motion to reconsider the vote by which the amendment was just agreed to. I suggest the absence of a quorum.

The PRESIDING OFFICER. The motion has been entered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. SESSIONS). Without objection, it is so ordered.

Mr. LOTT. Mr. President, Senator BYRD has indicated he would like to have an exchange, a colloquy. This seems a good time to do it. I might say also, it would be our hope and intent now that we would go on to the next amendment. Senator SPECTER is ready with an amendment on NIH. So I hope we can—I talked to Senator DASCHLE about that—go ahead and proceed with the next amendment that was in order.

I would be glad to respond to a question or a comment Senator BYRD might have.

Mr. BYRD. Mr. President, may we have order.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from West Virginia.

Mr. BYRD. I thank the Chair.

Mr. President, I thank the distinguished majority leader for his making possible an inquiry at this point.

As Senators know, I am, I think, the Senator who has had more of a part in writing the Budget Reform Act than any other Senator who today serves in the Senate. I believe, with all my heart, that the reconciliation instruction process was never meant to be used as a procedure for cutting taxes. It has been my belief, from the beginning, that the purpose of the reconciliation process is to reduce deficits. And the process has been useful in that regard over a period of several years.

I am very concerned that the Senate is about to use the process in a way for which it was not intended. I think a point of order, if made, would nail in the precedent that it is quite all right to use the reconciliation process to cut taxes. So I do not want to do that. If, and when, that time comes, I prefer to just vote up or down and let the chips fall where they may.

So I have a couple of questions I wish to ask of the distinguished majority leader. One would be in light of the fact that we only have, I believe, about 30 hours remaining.

Mr. REID. That is true.

Mr. BYRD. And I feel sure the majority leader is concerned about this as much as I am because I have already heard him say some things today that would lead me to believe that.

My question would be—and he might not want to answer it at this point—but when are we going to get to the reconciliation vote on this concurrent resolution on the budget? When are we going to get to it? When we reach that point, we need some time to debate it. I would like to speak at least 45 minutes or an hour on that subject.

Our time is being eaten up. I am not complaining about that except to say we are not going to have enough time to debate the most important question that will come before us unless we get to that matter soon.

Another question which I wish to propound to the distinguished majority leader, I think it is very important that the Senate have before it the President's budget before the Senate votes on final passage of the concurrent resolution on the budget. I think if we can see what is in the President's budget, we will see that some programs, that are very important to Senators on both sides of the aisle, are probably going to be reduced in order to make way for the tax cut. I think Senators should know these things before they vote on this resolution that is before the Senate.

I will not proceed further to make that case. I think it is a solid case, and I think there is every reason why Senators ought to have the budget at their fingertips before they cast that final vote. That has been my hope all along.

The President had earlier indicated, I believe, that he would submit his budget to the Congress on this past Monday, and then later changed his mind to say it would be sent up on the 9th, which will be next Monday.

I must say, earlier I had thought, Mr. Leader, of using some dilatory tactics in order to put the Senate over to Wednesday. I watched the debate on the natural gas bill in 1977, at which time two Senators—Mr. Metzenbaum and Mr. Abourezk—kept this Senate from reaching a decision 13 days and 1 night and still had hundreds of amendments and just as many dilatory actions available as ever.

I know it can be done. I know how to do it. But it was decided in the Democratic Caucus that we would not do that. We do, however, still need to see that budget. I think there is every reason the American people should know what is in the President's budget before their elected representatives in this body cast their votes in connection therewith.

Consequently, I ask this question: Would it be possible—this will be a matter for both leaders, not just the majority leader, but mainly the majority leader—would it be possible to put this matter over until next Wednesday, which would allow Monday for the President to send his budget up to the Congress and then would allow the Senate Tuesday and Wednesday in which to amend, to debate, and to make a final decision on the concurrent resolution on the budget? In the meantime a decision could be made with respect to the reconciliation resolution as well. It might very well be that a time agreement could be worked out, and the majority leader has been interested in that. I have been interested in it. Mr. GRAMM and Mr. DOMENICI have expressed some interest in it. Mr. NICKLES has expressed interest, and others.

I think there is every good reason why it might be wise to do that. A unanimous consent request hase been under consideration. The majority leader discussed this again with me briefly last night at the time of the reception the Senate was having in honor of the spouses of the Senators. Would it be possible to delay final passage of the budget resolution until next Wednesday? I know it would inconvenience some Senators. But what is more important? The inconvenience to the Senators, or wisdom and the proper judgment when it comes to casting our votes for those whom we represent?

I don't think there is a Senator here who would disagree with my statement that, yes, there will be inconveniences, perhaps some trips would have to be canceled, but that is all in a day's work. We get paid for our work. We have a responsibility to our people. Perhaps there will be no more important vote that will be cast by the Senate than the vote on this concurrent budget resolution and the vote with respect to the reconciliation process.

That ends my question.

Mr. LOTT. Mr. President, I believe there were actually several ideas or questions propounded there. I will try to respond as directly and as briefly to them as I can so we can go forward with the next amendment that is pending.

First of all, as to when to take up the issue of reconciliation and the process for giving working people tax relief to be able to keep a little bit more of their money at home, I think clearly it needs to come relatively shortly, I assume tomorrow, in whatever form it might be so that there will be ample time to discuss it fully. I know that Senators on both sides of the aisle will want to be heard on that.

I must say that if we start down this trail of spending all the money, there won't be anything left for tax relief anyway so we won't need this reconciliation process. I think clearly to have tax cut in reconciliation is something that we would like to have considered and would be prepared to act on it. But as the Senator knows, we would be willing to consider doing it another way, doing it the way it was done even back in the 1980s. We have offered an idea, a unanimous consent agreement to Senator BYRD, and I have discussed it with Senator DASCHLE. Senators on this side have looked at that. I thought perhaps we could get something worked out on that, and we could get that done.

We would have to consult with the chairman of the Finance Committee and the ranking member on the Finance Committee, make sure everybody understood how that would work and make sure that it would give us some of the important benefits that reconciliation gives you, even though it wouldn't do it that way.

We will be glad to continue to work with you and with others on the possibility of doing it through a unanimous consent agreement. I have discussed this with Senator DOMENICI and with Senator GRASSLEY. They are interested, willing to work on it. They just want to make sure they know what is in it, and I think everybody on both sides wants to do that.

As far as the President's budget, we have the outlines of the main categories that the President is suggesting. I guess if we waited later on, we would get line by line by line. I don't think that is what a budget resolution does. A budget resolution sets the broad categories and then we go forward. Then in the Appropriations Committee, for instance, they decide how much they are going to put in there for Interior or Transportation. I don't believe the President dictates that. We have acted before when we didn't have the President's budget.

As far as the idea of postponing it, there would be two or three problems with that. We had not indicated that we were thinking about doing that. We would have to check on both sides with 100 Senators to make sure that their schedules could be changed to that effect. I suspect there would be a lot of resistance to it. We would have to check with both sides of the aisle on that. Worst of all, in my opinion, we need to move forward. We need to move forward with this budget resolution—good, bad, ugly. We ought to move it on into conference and see if we can get an agreement there and then come back and vote on it so we can get on with the substantive business. This just gives us the outlines of how we can proceed and then we get into the details: What we do on Medicare, what we do on defense, and what we do on tax policy.

I think we ought to go ahead. I spoke earlier about my concern about the economy and the need for us to get this process on down the road so that we can be looking at taking some action on tax policy and on substantive issues, too.

I see Senator DOMENICI. As chairman of the Budget Committee, I don't want to try to respond to all of this. Some of it being in his jurisdiction, would he like to comment on this, too?

Mr. DOMENICI. I surely don't want to use much time. You have answered with the authority of the majority leader. I just wanted to say to you, Mr. Leader, and to you, Senator BYRD, I never in my wildest dreams thought we would finish this budget resolution without your spending an hour on a subject you think is most important; namely, reconciliation. We have already spent a lot of hours debating. Frankly, in my opinion, although the debates were luxurious, I think it would have served us well if you would have already taken an hour and I would have taken an hour and Senator CONRAD taken an hour and we discussed reconciliation. I don't intend to get finished without that hour of debate about what it is all about and what it means taking place. As soon as we can, I would be for working it out. Our leader thinks we should work it out on an issue that is formulated before the Senate.

I do want to comment, since you have indicated two things. One, we should have the President's budget first. That is OK. That is a good wish. I would suggest that when we had a new President named Bill Clinton, we didn't have a budget before we approved the budget resolution, including the conference report on the budget resolution. Then we got a budget. I think there is precedent for a new President for us to proceed.

Secondly, I think you did do more than, as much as anyone present here, of course, in drafting this 25-year old Budget Impoundment Act. Frankly, you have one version about reconciliation that the Senator from New Mexico, who has now used your product you developed with others—I have used it as chairman or ranking member or member for 25 years. So while you drew it, I have watched it implemented.

I will present to the Senate my strong conviction that there is nothing in this act that precludes using reconciliation for a tax decrease bill. I just wanted to make sure I amplified to that extent.

Mr. BYRD. I don't want to take a lot of time. Let me just say this: We can argue back and forth as to what has been done in the past. I think we have to deal with what is in the present. We have here ''A Blueprint for New Beginnings.'' My problem with this is that it is kind of a peekaboo budget. You see just a little of the budget. But what I see is disturbing. For example, with respect to the research in fossil fuel, that is going to be cut. That is important to the energy resources of this Nation, particularly at this time.

Now we have the clean coal technology program, for which the President has said he supports a $2 billion increase. That is well and good. But the problem is, as I look through this peekaboo budget, I find that much of the money he is going to put into clean coal technology is going to come out of fossil fuel research. That is important to coal, oil, and gas. That is just one thing of which I got a little glimpse. I think we will find the word ''redirect'' in this blueprint a number of times.

I noted in the Washington Post of Sunday, April 1, that the Community Policing Service Program, COPS, would be cut by 13 percent, from $1 billion to about $850 million. I noted also in the New York Times—I believe, of yesterday—well, I don't seem to have it at my fingertips, but some programs are going to be cut. I think Senators should know what programs are proposed to be cut in the President's budget before they vote on final passage of this concurrent resolution on the budget before us.

I am going to take my seat soon, but for these reasons, which could be debated at considerable length, I hope it will be possible to have the President's budget before we take the final plunge on the concurrent resolution on the budget. It seems to me it isn't too much to ask that that final action—perhaps the final 10 hours, if it could be worked out that way—be put over until next Tuesday or Wednesday.

Mr. REID. Will the Senator yield for a question?

Mr. BYRD. If I have the time, yes.

Mr. REID. I say to the Senator, I appreciate very much directing his attention to this. I think we would be better off putting this off until we got back from the break. I think we have 30 hours left. Everybody is trying to finish this bill by tomorrow. In the back

room, I say to the ranking member of the Appropriations Committee, we have over 120 amendments just on our side. You know, unless we have some time to work this out, there is going to be a big vote-athon. We need to do this with wisdom and discretion and have a document before making a decision.

I think the Senator is right on the ball, right in the direct line in which we should be going. This is so important, I would be willing to cancel what I have next week in Nevada and do this. But if people are unwilling to do that, let's do it after we come back, set it at a certain time and have a unanimous consent agreement that we can complete this thing in a matter of a day or two. People would feel better about it. We can sift through the 120 amendments and get to what really needs to be done.

Senator CONRAD has done a wonderful job of managing this bill. I don't know of anybody who has ever managed a bill better than he has. But with these time constraints and big things such as debt reduction, defense, reconciliation, his hands are tied to manage this bill properly. I certainly think the Senator from West Virginia is headed in the right direction.

Mr. DOMENICI. If the Senator will yield to me for a moment, and I understand the ranking member wants to speak. What I have here is also a peekaboo budget, but it is not President Bush's, it is President Clinton's. It is a peekaboo budget, borrowing your expression. It is ''A Vision of Change for America,'' but it is not a budget.

Mr. BYRD. That is right.

Mr. DOMENICI. This was sent up here on February 17, and in a marvelous show of support for the new President, before any budget was forthcoming, a budget resolution was adopted based on this peekaboo budget.

Mr. BYRD. That is a peekaboo budget.

Mr. DOMENICI. It went to conference for him, and it came back as a conferred-upon bill. So we are kind of used to looking at what you all do, and then when you are doing something really borderline spectacular, we say we would like to be a mimic. You did it in such a great fashion for him, we wanted to do a little bit for President Bush.

Mr. BYRD. I wish the distinguished chairman of the Budget Committee, however, had had a markup in the committee, as was the case when that peekaboo budget was sent up here in 1993.

Mr. DOMENICI. Yes.

Mr. BYRD. The Senator will admit, will he not, that the Budget Committee did, in that instance, 1993, have a markup in the committee and then reported that measure out of the committee with a report? And I assume the minority was allowed to publish its views. Would the Senator respond? Was that not the case with that 1993 peekaboo budget?

Mr. DOMENICI. Indeed, it was.

Mr. BYRD. In the case of that 1993 peekaboo budget, did the committee, in that instance, report out a bill? Did it mark up the bill?

Mr. DOMENICI. Yes, it did.

Mr. BYRD. If it did, why doesn't the Senator, who admires that role model, wish to have a markup in the committee and report out a concurrent resolution on this budget?

Mr. DOMENICI. Senator, I tried to explain the difference. You had the luxury of a majority here in the Senate. In fact, you had three votes more than a majority. We went in the Budget Committee not even stephen. Everybody already made up their minds. You had a majority of Democrats willing to vote out a Presidential budget when Republicans didn't want it. So it is the same thing I had, except it turns out 11–11, an equal number. So there is a very big difference.

Mr. BYRD. There is a difference, but, with all due respect, that is no reason not to have a markup. Just because the people saw fit to make it 50/50 in this Senate, that is no reason to avoid having a markup in committee. We have a responsibility to the people who send us here to have a markup in the committee.

The point I am trying to make is that we ought to see the President's budget. It would not be asking too much of all of us, I don't think, to hold over until next Tuesday or Wednesday to complete action on this concurrent resolution on the budget. Let us see the President's budget.

While I have the floor—and then I will sit down—I have the New York Times of Wednesday, April 4. I will read the headline: ''Bush Budget on Health Care Would Cut Aid to Uninsured.''

That is one example of why I think the Senate ought to have the President's budget. We don't know what is in it.

Mr. CONRAD. Would the Senator yield for a question?

Mr. BYRD. I am glad to yield.

Mr. CONRAD. Isn't it true that while President Clinton had not submitted a full budget, he had submitted sufficient detail so the cost of his budget proposals could be estimated by the Committee on the Budget, the CBO, the Joint Committee on Taxation, and so the Senate, acting in 1993, had all of the reestimates done that told us the cost of his proposal?

Mr. BYRD. Yes, absolutely.

Mr. CONRAD. And is it not true as well that President Bush has not submitted sufficient detail for the Congressional Budget Office or the Joint Committee on Taxation to do the reestimates that were done on the previous President's budget, so we do not have those reestimates; isn't that true?

Mr. BYRD. The Senator is preeminently correct.

Mr. CONRAD. I will go on, if I can, when we look at the level of detail that has been provided by President Bush versus President Clinton, there is a very stark and glaring set of differences. For example, the Clinton document had tables that provided year-by-year budget numbers for 68 specific proposals to reduce discretionary spending.

The tables also included the year-by-year numbers for 90 specific proposals to cut mandatory spending.

The budget also provided year-by-year detail for proposed increases in spending.

The Bush budget does not provide any year-by-year numbers for specific proposed changes in discretionary spending; is that not the case?

Mr. BYRD. Oh, absolutely; no question about it; absolutely.

Mr. CONRAD. So to compare 1993 to this year does not really stack up, does not hold up under much scrutiny because, as the Senator from West Virginia has made so clear, we had full reestimates then of the cost of the President's tax-and-spending proposals, sufficient detail for the Congressional Budget Office and the Joint Committee on Taxation to tell us what those costs were. We do not have it now. And we had a full Budget Committee markup then. We do not have any Budget Committee markup now.

The fact is, we do not have sufficient detail from the President to have the kind of objective independent analysis done to inform the Senate of the cost of the President's tax-and-spending proposals.

Mr. BYRD. Absolutely. Moreover, that was a budget for 5 years. That was a 5-year plan in 1993. This is a 10-year plan. Additionally, the resolution was used in that instance to reduce deficits, not to increase them.

Finally, my good friend from New Mexico speaks of that 1993 budget as a role model. Not one of the Senators on that side of the aisle voted for it. Not one Republican in the House voted for it.

What did it do? It put the Nation on the course for reduction of the deficits and for the accumulation of huge projected surpluses. Whether they ever materialize or not is another question. But what are we so afraid of? Why is this Senate afraid to see the President's budget?

Mr. CONRAD. We were promised the President's budget, were we not? We were promised it was going to be here on April 2 before we took up a budget resolution on the floor. And presto disto, the next thing we know, there is no budget until April 9 when we have completed action. It is a very unusual circumstance.

If we are going to be fair and objective about comparing 1993 to now, we will see there are very significant differences. Most significant, we have had no budget markup in the committee, and there was sufficient detail on what President Clinton sent us that the Congressional Budget Office and the Joint Committee on Taxation were able to give us an objective independent analysis of the cost of the President's spending-and-tax proposals which we do not have here. We do not have them.

Mr. BYRD. Mr. President, I thank the very able majority leader for his courtesy in calling attention to the inquiry I had previously indicated I wanted to make, and for his listening to it. I am sure he will give some consideration to it. I hope he will. And I hope all Senators will be willing to consider the request to go over until next Tuesday or Wednesday so that we might have the benefit of having the information that is in the President's budget.

I am sure it is not very far away. It is probably on the printing presses within three blocks of this Chamber right now. If they plan to have it up here next Monday, it is available somewhere right now.

I thank the majority leader for entertaining my request.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I understand the distinguished Senator from Pennsylvania is going to go next. I did not want to keep burdening Senator BYRD with my statements. He has made his. I want to make mine.

I ask unanimous consent to print in the RECORD the introduction of the President's revenue proposals by the Joint Committee on Taxation, March 8, 1993.

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

INTRODUCTION

This pamphlet, prepared by the staff of the Joint Committee on Taxation, provides a summary of the revenue provisions included in the President's budget proposal, as submitted to the Congress on February 17, 1993.

The provisions summarized in this pamphlet are those revenue proposals contained in the Department of the Treasury document, Summary of the Administration's Revenue Proposals, February 1993 (''Treasury document''). The pamphlet also summarizes three other revenue proposals included in the Office of Management and Budget document, A Vision of Change for America, February 17, 1993 (''OMB document''), that would amend the Internal Revenue Code: taxation of social security benefits; increase of inland waterways fuel excise tax; and use of Harbor Maintenance Trust Fund amounts for administrative expenses.

The pamphlet descriptions of the President's proposals are taken without modification from the Treasury document and the OMB document. The pamphlet summary description includes present law and a reference to any recent prior Congressional action on the topic and whether the proposal (or a similar proposal) was included in recent budget proposals (fiscal years 1990–1993). Part I of the pamphlet summarizes the revenue-reduction proposals from the Treasury document; Part II summarizes the revenue-raising proposals from the Treasury document; and Part III summarizes three additional revenue proposals from the OMB document.

The Treasury document's introductory statement indicates that ''[t]he descriptions included in this report are not intended to be final. Many of the proposals will be revised in the process of finalizing the Administration's fiscal year 1994 Budget. The descriptions are also not intended to be comprehensive. Numerous details, such as rules relating to the prevention of abusive transactions and the limitation of tax benefits consistent with the principles of the proposals, will be provided in connection with the presentation of the Budget and upon submission of legislation to implement the Administration's plan.''

Further, the Treasury document states that ''[i]n addition to the proposals summarized in this report, the Administration also supports initiatives to promote sensible and equitable administration of the internal revenue laws. These include simplification, good governance and technical correction proposals.''

Mr. DOMENICI. Mr. President, that is the Joint Committee's introduction on President Clinton's tax package that was considered, voted on, passed, went to conference with the House and passed, and this is all they could say about what the President submitted:

The Treasury document's introductory statement indicates that ''[t]he descriptions included in this report are not intended to be final. Many of the proposals will be revised in the process of finalizing the Administration's fiscal year 1994 Budget. The descriptions are also not intended to be comprehensive. Numerous details, such as . . . limitation of tax benefits consistent with the principles of the proposals, will be provided in—

And it goes on.

I want everybody to know, according to the tax Web site, no tax revenue tables were available with reference to President Clinton's budget until way past the time the budget resolution was considered. As a matter of fact, the first tax tables were not made available to the Ways and Means Committee until May 4 of 1993, the second tables on June 17, 1993, and we had already produced the budget resolution in both Houses, gone to conference, and adopted it.

I do not care to go on forever. I believe we ought to treat President Bush, as well as Republicans and Members of the Senate, as President Clinton was treated when he was a so-called brand new President.

We will proceed, and I want the RECORD to show, and I will put the letter in tomorrow, that every member of the Budget Committee on the Republican side asked the chairman, this chairman, not to consider markup because they said it would not yield any fruitful results. While that is my decision, I want everybody to know I did not make it singularly. I had a pretty good backing from Republicans who did not think it would amount to anything other than long, protracted debates and nothing positive would be accomplished.

Before we proceed and I yield to my friend from Pennsylvania, I was asked by the majority leader to propose what I assume is a usual consent request.

CONDITIONAL ADJOURNMENT OF THE HOUSE OF REPRESENTATIVES AND A CONDITIONAL RECESS OR ADJOURNMENT OF THE SENATE

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate proceed to H. Con. Res. 93, the adjournment resolution and that the resolution be agreed to and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 93) providing for a conditional adjournment of the House of Representatives and a conditional recess or adjournment of the Senate.

The Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. Without objection the concurrent resolution is agreed to.

The concurrent resolution (H. Con. Res. 93) was agreed to, as follows:

H. CON. RES. 93

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on the legislative day of Wednesday, April 4, 2001, or Thursday, April 5, 2001, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand adjourned until 2 p.m. on Tuesday, April 24, 2001, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns at the close of business on Friday, April 6, 2001, Saturday, April 7, 2001, Sunday, April 8, 2001, or Monday, April 9, 2001, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until noon on Monday, April 23, 2001, or until such time on that day as may be specified by its Majority Leader or his designee in the motion to recess or adjourn, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the Majority Leader of the Senate, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

Mr. DOMENICI. I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEARS 2001–2011—Continued

Mr. SPECTER. Mr. President, at the outset, let me say to the distinguished Senator from West Virginia, who holds an extraordinary record in this body, and asked me 45 minutes ago if I would mind yielding for a question, I want the RECORD to show that I agreed to yield for a question. I had no idea that the answer would be so long, Mr. President. I thought it worthy of note.

Mr. BYRD. Mr. President, if my dear friend will yield briefly, just that I might apologize to him for the questions having gone on and on and the answers and the joining by other Senators, which I think added to the importance of the question. I think we performed a service. I certainly thank the Senator most kindly.

Mr. SPECTER. Mr. President, like the incident with the Navy plane, no

apology is in order. I have worked with the distinguished Senator from West Virginia for many years when he was the Democratic leader and then majority leader, President pro tempore, and chairman of the Appropriations Committee. I greatly admire what he has done.

I sat and listened to the whole proceeding, but I thought it was worth just a minute of the Senate's time to note I yielded for a question and 45 minutes later I got the floor.

AMENDMENT NO. 186

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER], for himself, Mr. HARKIN, Ms. MIKULSKI, Ms. COLLINS, Ms. LANDRIEU, Mr. KERRY, Mr. WELLSTONE, Mr. DEWINE, Mrs. MURRAY, Mr. SARBANES, and Ms. SNOWE proposes an amendment numbered 186.

Mr. SPECTER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: Increase discretionary health funding by $700,000,000)

On page 28, line 23, increase the amount by $700,000,000.

On page 28, line 24, increase the amount by $700,000,000.

On page 43, line 15, decrease the amount by $700,000,000.

On page 43, line 16, decrease the amount by $700,000,000.

Mr. SPECTER. Mr. President, this is an amendment which adds $700 million to increase the health function in this resolution to assure that the funding for the National Institutes of Health be doubled by the year 2003 as provided for in a resolution of the Senate which goes back to 1997, a 98–0 resolution that we double the funding for the National Institutes of Health. The offset for the $700 million comes from the 920 account, I am advised, which is allowances on administrative costs across the board.

The funding for the National Institutes of Health is a priority second to none. There is nothing more important than health. The National Institutes of Health have made extraordinary progress in their efforts to combat the most serious maladies which confront Americans, and for that matter, people around the world. Among those diseases, including, but not necessarily limited to, are Alzheimer's disease, Parkinson's, epilepsy, cancer of the prostate, breast cancer, cervical cancer, leukemia, melanoma, hearing research, heart disease, stroke, AIDS, and diabetes. I could go on and on and on.

Our effort to secure this funding has been a rather bumpy road. We have managed to persevere. In 1998, Senator HARKIN and I led the attack with a resolution to add $1.1 billion to the health function and the amendment was defeated 63–37. We came back the next year, having sustained that loss for $1 billion and doubled the request to $2 billion. Again the amendment was defeated, but this time by a lesser vote of 57–41.

In those 2 years, notwithstanding the failure of our efforts to get an increase in the budget resolution, we took out our sharp pencils and as a matter of priorities allocated the extra billion in fiscal year 1998 and the $2 billion extra in fiscal year 1999. In fiscal year 2000 we, again, offered an amendment to the budget resolution, this time of $1.4 billion to the health function over and above the $600 million which had been provided by the Budget Committee. This time we lost again by a narrowing vote of 47–52. Again, we found the extra funds as a matter of priority by allocating funds within the overall budget for the subcommittee which has jurisdiction over labor, health, human services, and education.

In fiscal year 2001, we offered an amendment to the budget resolution to add $1.6 billion to the health function. This time, for the first time, the budget resolution was passed 55–45. Our efforts were rewarded with increases over that 4-year period of affirmative votes: 37, to 41, to 47, and finally to 55.

This year, on February 13, Senator HARKIN and I had as additional cosponsors Senators BREAUX, COCHRAN, COLLINS, DEWINE, FRIST, HUTCHINSON, MIKULSKI, MURRAY, SANTORUM, SARBANES, SCHUMER, and SNOWE on S. Res. 19, the Biomedical Revitalization Resolution of 2001.

This year the administration has come forward with $2.750 billion, so it was necessary only to increase by $700 million. We could not do a figure in less than $100 million amounts under the resolution rules which would enable us to come to the $3.4 billion target which is necessary to keep us on the path to doubling the NIH budget within the 5-year period as called for in the resolution from 1997 which, as I say, passed 98–0.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. Who yields time in opposition?

Mr. CONRAD. Mr. President, would the Senator from Pennsylvania yield for questions on my time?

Mr. SPECTER. I yield.

Mr. CONRAD. I thank the Senator from Pennsylvania for his leadership on this issue. He has brought this body a long way. We have seen it over a number of years by his persistence and persuasion. I publicly acknowledge the leadership he has provided in an area that is critically important. I have seen in the lives of some of my constituents how important the NIH can be and what an incredible contribution it has made to improving health research and extending the longevity of the lives of the American people. The Senator from Pennsylvania can be very proud of his advocacy.

As I understand the Senator's amendment, it provides $700 million to the National Institutes of Health in the fiscal year 2002, is that correct?

Mr. SPECTER. Yes.

Mr. CONRAD. The source of funding for that would be out of the projected surplus for that year?

Mr. SPECTER. No, as I am advised by the experts, out of the 920 account which covers allowances and administrative costs.

Mr. CONRAD. If that is the case, I think it may well be we will support that amendment on this side. I have to check with other colleagues, as I am sure the Senator is aware, in order to give that answer. We are in the process of doing that. Perhaps as we go through that process of checking with other Senators, we can find out what their disposition is. We may be able to either accept this amendment or go to a quick vote on this amendment. We will try to get an answer quickly.

Mr. SPECTER. I thank the distinguished Senator from North Dakota for those comments. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. CONRAD. The Senator from Iowa has arrived.

Mr. HARKIN. I seek time to speak on behalf of this amendment of my colleague.

Mr. CONRAD. I yield 10 minutes to the Senator from Iowa.

Mr. SPECTER. If the Senator from Iowa will yield, I talked about the cosponsors of the earlier resolution we offered. Let me note that I have offered this on behalf of Senators HARKIN, HUTCHINSON, MIKULSKI, COLLINS, LANDRIEU, KERRY, WELLSTONE, MURRAY, DEWINE, SNOWE, and Senator SARBANES, as well as myself.

I yield to my colleague from Iowa.

Mr. HARKIN. Mr. President, I am pleased to stand with my colleague and subcommittee chairman, Senator SPECTER, to offer this important amendment to the budget resolution. We stand at the cusp of a revolution that I believe will result in the overthrow of disease and disability in this country. At no time in our history have we been so close to major advances in the fight against killer diseases. Every day we read about major breakthroughs in medical research: AIDS vaccine, decoding the DNA letters that make up the human genome, new therapy for breast cancer, less invasive surgical techniques. This resolution is a direct result of our investment in medical research.

Four years ago the Senate went on record 98–0 committing to double the NIH budget over 5 years. We are well on our way to doing that. Over the past 3 years, Senator SPECTER and I have made good on that pledge by providing the biggest increases ever for medical research. Last year we were able to provide an unprecedented $2.5 billion,

or 15-percent increase, for NIH. We worked hard to make it happen, and I thank all of my Senate colleagues, both Republicans and Democrats, who worked with us on this historic accomplishment.

Unfortunately, if we pass this budget resolution as it is, we will fall short of the 15-percent increase needed to maintain the commitment that 98 Senators made to doubling the NIH budget over 5 years. But if we pass this budget resolution as it is, we will fall short of keeping that commitment.

This budget resolution in fact shortchanges Americans' health. At the same time, this budget skimps on basic investments in America's health care. It also cuts taxes for the wealthiest 1 percent of Americans by almost $700 billion. What this budget should do is spend the additional $3.4 billion needed to ensure that all Americans, no matter what income, can live healthy and productive lives. In this budget, that is only .4 percent of a tax cut for the wealthiest; .4 percent of the tax cut just for the wealthiest Americans would help us fulfill our commitment of doubling medical research at NIH.

In the next 30 years the number of Americans over age 65 will double. Medical research and its discoveries are essential to reduce the enormous economic and social toll posed by chronic diseases that impact our elderly, from Alzheimer's and arthritis, to cancer, Parkinson's, and stroke disease.

Let's take Alzheimer's disease. Just the other day Senator SPECTER chaired a hearing with researchers doing cutting-edge work on Alzheimer's, and we also had patients there, some of whom were diagnosed as having Alzheimer's. One of the witnesses was John Wagenaar of Georgia, IA. He was diagnosed with Alzheimer's at age 60, at the prime of his life, working at a manufacturing plant, taking pride in his children and grandchildren, looking forward to retirement. But in spite of this devastating diagnosis, he is a lucky man. Thanks to medical research, he can now take a pill that has slowed the course of the disease so now he can even continue to work and enjoy his family. John Wagenaar can hope, along with the rest of us, that a drug will soon come on the market that will not just slow Alzheimer's disease but actually stop it.

Researchers have made extraordinary advances in recent years. A decade ago—just 10 years ago—there were no Alzheimer's drugs on the market. Today there are four, and more are on the way. Scientists have developed a vaccine. We saw startling pictures of this at our hearing yesterday. When tested on mice, it takes away, it wards off, the brain-clogging deposits that are associated with Alzheimer's. Plans are now underway to test this vaccine in humans.

We are clearly on the verge of breakthroughs on Alzheimer's and in other areas. At no time in our history have we been so close to major advances in the fight against killer diseases. Now is the time to boost our investment to make sure our Nation's top scientists can turn these dreams into reality.

The amendment Senator SPECTER has offered, which I am proud to cosponsor, is very simple. It ensures the budget resolution will include $3.4 billion for the National Institutes of Health for fiscal year 2002. It is a commonsense amendment. It is bipartisan. It is the right thing to do. We have gone too far now to cut back and to slow down. Millions of Americans, our families, our loved ones, our friends, and our neighbors all over this country are counting on us not to back down in this fight against the diseases that still plague us.

As I said, we have made major strides against Alzheimer's, Parkinson's disease, stroke disease. We have made great strides in doing things that help alleviate the struggle many people have with mental illness. We have come a long way. Now we are on the cusp of finding the interventions, the vaccines, the drugs that will alleviate this human suffering and make life better for so many people. Now is not the time to turn back.

This budget resolution before us would say that investing in NIH is not that important. This budget resolution says investing in medical research is not as important as giving a big tax cut to people who make over $1 million a year.

I disagree with that priority. I believe the priority is elsewhere. Mr. President, .4 percent, that is all it takes. Four-tenths of 1 percent of the tax cuts of those Americans in the top 1-percent bracket would pay for us keeping our commitment to fund medical research at NIH.

I wholeheartedly support this amendment. I hope it has strong bipartisan support on the Senate floor.

I yield my time.

Mr. BOND. Mr. President, a quick word on why I voted against the Specter amendment which made extra room in the budget for $700 million in National Institutes of Health research spending.

I voted against the NIH amendment not because I oppose the valuable research that NIH does, but rather because I wanted to draw attention to the fact that we risk focusing on NIH spending to the exclusion of other important initiatives.

Biomedical research at NIH is important, but we must recognize we have other priorities as well.

The NIH is important, but so is the basic scientific research that we do at the National Science Foundation. Basic research is the foundation on which applied science and technology rests. Understanding how the world works has applications in every field, including health. Without increased funding for basic research, we will soon find that our basic scientific understanding is too limited to get the maximum value from the applied research NIH does.

The NIH is important, but so are community health centers. These local clinics provide basic primary care services to close to 12 million Americans at over 3,000 sites in medically-underserved urban and rural communities across the country. Yet the demand is still great—millions are still uninsured, and millions more simply don't have access to health care providers. The NIH does great work expanding the high-tech envelope of medicine, but the people that health centers serve often cannot get even low-tech services like immunizations and basic doctor visits.

The NIH is important, but so are children's hospitals. These priceless resources care for our sickest children, train a significant portion of our children's doctors, and themselves perform much of the pediatric research that NIH funds. But for three decades we have not treated these children's teaching hospitals fairly. Through the Medicare program, we have provided billions of dollars to help other teaching hospitals train physicians. But until recently, we barely gave children's hospitals pocket change to support their physician training. We still do not have parity between children's hospitals and other teaching hospitals, we need to get there.

I support the President's budget and his tax cut, and thus I supported this budget resolution, at least as it was introduced. Knowing that the appropriations bills that actually provide funds for all of these priorities will be written later this year, I was content to bide my time and deal with funding totals then.

But when the NIH amendment was brought up earlier, I started to worry. Would our focus during this debate be only on the NIH, and not in other areas? Would this mean that later appropriations bills thus focus only on the NIH and ignore others areas? Would the NIH become the guest at the dinner party who stays too long and eats everyone else's food? We must not let this happen.

We voted to make room in the budget for a total increase in NIH spending of $3.5 billion, more than 16 percent above the current spending level. None of these other important programs, the National Science Foundation, community health centers, children's hospitals, receive anywhere close to that much of an increase.

In the remaining time here on the budget resolution, I intend to offer amendments that will address each of these priorities. I hope the Senate will recognize that they are just as important as the vital work the NIH does. And I hope to see those amendments pass in a similarly overwhelming way.

Mr. DOMENICI. Mr. President, whatever time Senator SPECTER had I yield back.

Mr. CONRAD. We yield back our time on our side as well.

Mr. DOMENICI. Mr. President, I ask for the yeas and nays on behalf of Senator SPECTER.

The PRESIDING OFFICER. The yeas and nays have already been ordered. The clerk will call the roll.

The legislative clerk called the roll.

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

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

The senior assistant bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. ALLARD). Without objection, it is so ordered.

The question is on agreeing to amendment No. 186. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 96, nays 4, as follows:

[Rollcall Vote No. 70 Leg.]

YEAS—96

Akaka	Dorgan	Lott
Allard	Durbin	Lugar
Allen	Edwards	McCain
Baucus	Ensign	McConnell
Bayh	Enzi	Mikulski
Bennett	Feingold	Miller
Biden	Feinstein	Murkowski
Bingaman	Fitzgerald	Murray
Boxer	Frist	Nelson (FL)
Breaux	Graham	Nelson (NE)
Brownback	Gramm	Nickles
Bunning	Grassley	Reed
Burns	Hagel	Reid
Byrd	Harkin	Roberts
Campbell	Hatch	Rockefeller
Cantwell	Helms	Santorum
Carnahan	Hollings	Sarbanes
Carper	Hutchinson	Schumer
Chafee	Hutchison	Sessions
Cleland	Inhofe	Shelby
Clinton	Inouye	Smith (OR)
Cochran	Jeffords	Snowe
Collins	Johnson	Specter
Conrad	Kennedy	Stabenow
Corzine	Kerry	Stevens
Craig	Kohl	Thomas
Crapo	Kyl	Thompson
Daschle	Landrieu	Thurmond
Dayton	Leahy	Torricelli
DeWine	Levin	Warner
Dodd	Lieberman	Wellstone
Domenici	Lincoln	Wyden

NAYS—4

Bond	Smith (NH)
Gregg	Voinovich

The amendment (No. 186) was agreed to.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Under the agreement, is the next business of the Senate the Landrieu-Cleland amendment on national defense?

The PRESIDING OFFICER. The Senator is correct.

Mr. CONRAD. How much time is available on that amendment?

The PRESIDING OFFICER. One hour evenly divided; 30 minutes per side.

Mr. CONRAD. I thank the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I will be sending an amendment to the desk in just a few moments on behalf of myself and Senator CARNAHAN to correct the RECORD. We will be offering this amendment together this afternoon, along with Senator CORZINE, Senator BREAUX, Senator LIEBERMAN, Senator LEVIN, Senator GRAHAM, Senator NELSON, and Senator REED. There may be others who will be joining us in offering what we hope will be a bipartisan amendment because this is surely a principle that both Democrats and Republicans have supported for many years.

Before I get to my prepared remarks, I thank my colleagues, Senator CONRAD and Senator DOMENICI, for their fine work in handling this debate. I will begin by giving a very graphic description of our national defense outlays as a share of GDP.

It is helpful for our party, for the other side, and for our constituents to understand that these numbers have varied widely and fluctuated dramatically based on the current needs and crisis at hand.

As my colleagues can see, we were spending in the 1940s almost 40 percent of our gross domestic product when this country geared up to fight the greatest war machine ever built in the history of the world, when we defended the world. Then we came down to a low of below 5 percent as we recovered from that war and then had to invest again for the Korean war.

This number has fluctuated wildly. I hope this chart can be seen clearly because it is very important for the public to get a sense of this debate and to understand why this amendment is so important and why I am hoping we will have many Members support it.

This is an effort to improve the budget resolution we are debating, and it is a very important debate clearly for the future of our Nation.

As one can see, we came down a great amount in spending, of course, from the 1950s to the current year of 2001, and rightly so perhaps because we used this as a peace dividend. The world generally being at peace, we were able to contribute to our economy, to investments in other areas, and to stabilizing our budget. This was done in a bipartisan fashion.

We can see under President Reagan's leadership these numbers went up slightly, which is referred to as the Reagan buildup, but the numbers have come down. Both candidates for President, Governor Bush and now, of course, President Bush, and Vice President Gore talked about the need to stabilize this line, to make strategic investments now, to not allow this line to continue to slide because the world is not becoming safer. The cold war may be over, but there are still many challenges.

In addition, there has been study upon study, speech upon speech given by our chairman, our ranking member, and members of the committee talking about the time to invest now in our military to help turn around this sliding line; to help stabilize. Words they used: Let's be reliable; let's reinvest in our men and women; let's increase morale; let's improve housing; let's recapitalize. This amendment is a modest step toward that end.

To remind all, during the 2000 election campaign, President Bush made a very compelling national security address at the Citadel, a military school with a rich tradition of history and honor. While we commonly refer to that as the ''Citadel speech,'' the speech has a name. President Bush entitled his remarks that day ''A Period of Consequences.''

That title is not just a casual descriptive phrase. It has an important legacy. It was first used by a man facing the most consequential period in his nation's history—Sir Winston Churchill.

Assuming the reins of power at a time when Britain was threatened by the greatest war machine ever created, Churchill proclaimed:

> The era of procrastination, of half-measures, of soothing and baffling expedients, of delays, is coming to a close. In its place, we are entering a period of consequences.

When he cited those remarks last September, President Bush was right. I agree with him, and so do many Members in the Senate.

Our military has reached a period of consequences, and many difficult decisions need to be made. I will ask the Senate today to make one of those important decisions. This body will go on record with a clear choice of priority: we can either spend everything we have or think we have in a surplus that has not yet materialized or we can give commonsense tax relief, a realistic level of tax relief and also—which is most important—have money to make some strategic investments in one particular area with known shortfalls, and that is in defense.

We just passed Senator HARKIN's amendment. I was proud to support that amendment because this body, in a bipartisan way, made it clear another strategic investment we must make is in education. We must take a second step and make an important decision today to invest in shortfalls in defense.

The President seemed to understand this problem during the campaign when he said:

> Not since the years before Pearl Harbor has our investment in national defense been so low as a percentage of GNP. Yet rarely has our military been so freely used—an average of one deployment every 9 weeks in the last few years. Since the end of the cold war our ground forces have been deployed more frequently, while our defense budget has fallen by nearly 40 percent.

One cannot argue with the numbers or argue with the trend line on this chart. The budget we are debating, unfortunately, without this amendment, will not stabilize this line. It will not turn it around. It will not invest in the quality of life issues so important to retain our soldiers and their families, to build morale, and to strengthen our troops, and most importantly, live up

to promises we have made to them in terms of their pay, in terms of their benefits, in terms of the kind of housing we promised them.

These words do not sound like those of someone advocating the status quo. I and many of my colleagues are baffled. I didn't imagine, frankly, that this amendment would need to be offered. But here we are, 7 months after the election, having this debate.

Let me ask my colleagues, since the election, has the world gotten automatically safer? Did our military find a secret storage site filled with spare parts? Did the 13-percent civilian pay gap disappear? Did the dilapidated facilities we heard about in the campaign start repairing themselves? Maybe all of our military families at wit's end with TRICARE have been cured.

We know that is not the reality and the needs still exist. The budget we are debating is deficient in that regard. The amendment of Senator CARNAHAN and myself which we are now debating we hope will begin to fix this and make a modest investment.

Let me show a couple of pictures to highlight some of the problems we have in our own State. I have the great privilege of representing Fort Polk, one of the premier training centers in the Nation, in the view of our commanders. This is where our men and women train before being sent to Bosnia or to Korea or other places where we have either conflicts or have engaged in serious peacekeeping efforts. This is just one picture. I could show 100 pictures of housing, of dilapidated structures, of mold and mildew.

If you go to Fort Polk's website, you will see old photographs taken at its creation in 1941. These are the same makeshift wooden huts, now used as dining facilities, that were there when Churchill was making his speech about ''a period of consequences.'' How long does this building need to serve its country before it can retire? I would say World War II, Korea Vietnam, Grenada, Desert Storm, and Kosovo should just about cover any building's life span. Not at Fort Polk.

This is only one of many examples of situations repeated all across our country at our military bases. There are a variety of reasons for this crumbling infrastructure. However, if you talk to the base commanders you hear one refrain again and again. Real property maintenance is the first casualty. When officers are forced to choose between installing air conditioners for the Louisiana summer, or continue training their men and women for war, officers correctly choose training. However, it is wrong for Congress to force our military leadership to opt between essential quality of life initiatives and basic readiness, maintenance and safety. Yet that is the choice our post commanders are forced to make year after year. Furthermore, while the newer housing that the military is building is very nice, there is not nearly enough of it to go around. In the meantime, we force our servicemen and women to live in substandard housing. I would be willing to bet that you could go on nearly every base in America and find military housing that does not meet HUD's standards. Nonetheless, we wonder why we have a recruiting and a retention problem. If it were not for the extraordinary patriotism of our men and women, our ''problem'' would be an epidemic.

Still, I suspect that many colleagues will respond that we are undertaking a strategic review, and we should not prejudge and rush to any conclusion. We should wait. To that, I refer my colleagues back to Winston Churchill. We are in a period of consequences. We should be done with the era of procrastination. In any case, we can study this problem to death, and it will not change the fundamental reality. These problems need a resolution today, not ten years from now. They will require a greater portion of our nation's resources to address. Yet if we do not set those resources aside in this budget resolution, they will not be there for us to invest later.

The other irony about the supposed need for delay is the study itself. In all the reports that have come out, there has not been any indication that these quality of life initiatives are even being considered. Even if they were considered, it is extremely unlikely that any study would conclude that we need to spend less money on these issues. More likely than not, this amendment adding $10 billion a year would be viewed as a modest down-payment on a much larger debt coming due.

Perhaps the real savings comes from military transformation? Maybe if we adopt new technologies and techniques we can forestall the need for more military spending? Not likely. Although Secretary Rumsfeld and Mr. Marshall may be the latest to study military transformation, they are not exactly the only study. I have brought with me a stack of studies that reach the same conclusion. We need military transformation. We need to recapitalize our forces. We need to encourage joint experimentation and operations, and we must prepare for the emerging threats of the 21st century. All the reports have a different emphasis. They come from the broadest possible political spectrum, but they all endorse these same principles. What is more, they all believe we need a top line increase in defense to accomplish these goals. Again you will find a range of perspectives from about a $30 billion annual increase at the low end, to a $100 billion annual increase at the very high end. Either way, the conclusion is the same.

The problem is that if we do conclude that we need a significant investment, there will be no money for us to invest. I support the strategic review. I imagine that I will support a good deal of what Secretary Rumsfeld has to say. We have reason to believe there is a big bill on the horizon. We have the money in the bank. I suggest we allocate some of that money toward this bill that is due today. Unfortunately, the Republican leadership is taking those savings and living for the moment. How they will account for this decision, I do not know.

The other important point to keep in mind is that this amendment does not change the bottom line need for reform at the Pentagon. I agree with Senator BYRD's insistence that the Pentagon get its books in order. Furthermore, the low end estimates for the need to recapitalize our current force are an additional $30 billion per year. My amendment is providing the services $10 billion. If this is all the services get, they still have to cover that two-thirds gap somehow. To do so will require the services to rethink what they are doing, and how they are doing it. This fundamental rethinking is an exercise we all should endorse. It will not be any less necessary should our amendment pass.

I invite the Senate to look at the build rates for the Navy. Last year, the Navy CinC's stated that they could not perform their missions with fewer than 360 ships. Yet, for the past eight years, the Navy has been procuring only an average of six ships per year. This build rate is the lowest since 1932, and will result in a Naval fleet of 180 ships if continued. All of our military forces serve the dual function of good-will ambassadors and ''cooperation builders'' with our allies. This role is even more prominently performed by our Navy. It also serves as an important signal of American resolve at crisis points. However, we may soon reach a point where our Navy, rather than an instrument of American power projection, is relegated to protecting an increasingly tenuous forward-presence.

I might also mention that we take a hard look at what we are saying to our NATO allies about their defense budgets. As we insist that our allies take greater strides to bridge the capability gap, we also remind them that the whole solution will not be found in greater efficiency or reform. We consciously assert that transformation costs money, and no nation can expect to improve capabilities without an increase in the top-line budget. I would submit that the logic of these arguments applies no less to the United States than it does Belgium or Norway.

This amendment acknowledges the truth, we are in a period of consequences for our military. We can acknowledge that fact and pass this amendment, or stick our heads in the sand. With the People's Republic of China increasing defense spending 15 percent, with the Middle East edging toward open conflict, with the conflict in the Balkans spilling over to Macedonia, with increased military cooperation between Iran and Russia—this seems like a very dangerous time to ignore reality for the sake of political posturing. A tax cut that robs our

military of much needed reinvestment is wrong-headed and reckless.

Another great English Prime Minister Lloyd George once said of America that ''she always does the right thing, after she has tried all other options.'' Today I present the Senate with the option to do the right thing. Pass this amendment, put the needs of our military and our nation before short-term political gain.

When we asked people to reenlist, we asked the spouses: Would you like your spouse to reenlist? Have your children live in places that we don't even allow our Housing and Urban Development to build and to fund? We ask our service men and women to live in substandard housing with inadequate pay, with health care that is less than what was promised when they signed up to serve. These are the things I hope my amendment will fix and make the minimum downpayment.

Mr. CONRAD. Will the Senator yield?

Ms. LANDRIEU. Yes.

Mr. CONRAD. Might I inquire how much time we have consumed?

The PRESIDING OFFICER. The Senator has consumed 11 minutes.

Mr. CONRAD. I yield 15 minutes off the resolution to the Senator.

Mr. WARNER. Parliamentary inquiry: It is the intention of the Senator from Virginia at the appropriate juncture to offer an amendment in the second degree. I value greatly the participation of my distinguished colleague on the Armed Services Committee. I find myself in a position of requiring to express my views and those of others in the form of a second degree. My amendment would be very simple. It would ask for an $8.5 billion increase solely for 1 fiscal year, which is 2002, and at the appropriate time I will give further details.

Could I inquire of the leadership, I want to be very careful with the protocol toward my good colleague, and presumably I can put the amendment at the desk now, but I wish to have the Senator complete her opening remarks first, and at that time if I might inquire of the distinguished managers, what would be their desire with respect to a second degree? I would need but 15 minutes to describe it. There may be others who would like to speak.

Mr. DOMENICI. I would be pleased, if the other side agrees, to make it in order that the Senator offer it, but we have to use up the time on the amendment before it would be in order under current practice. It is in their hands. I would be glad to let you send it up so people could see it. It would not be ripe until all time were yielded on the amendments.

Mr. CONRAD. Might I inquire of the Senator from Virginia, would the Senator consider offering his amendment in the first degree with an understanding that he would get the first vote? If the Senator offers his amendment in the second degree——

Mr. WARNER. In the nature of a substitute, yes.

Mr. CONRAD. Not as a substitute, as a first degree.

I am suggesting this for this reason: We are going to want to get a vote on the amendment of the Senator from Louisiana. We can go through all kinds of parliamentary maneuvers to do that and ultimately succeed. We have found so far it works better if we handle both amendments in the first degree. You would get the first vote because you would have been offering it in the second degree.

Mr. WARNER. I yield to the distinguished managers. They are handling this bill. I want to hear from the Senator from New Mexico on that.

Mr. DOMENICI. Senator, from what I understand, we don't want to deny her a vote. We want a vote on his first. Whatever happens to it, you get a vote. But we will have a vote on it first. Is my understanding correct?

Before I do that, if we could proceed and let me make an inquiry. It looks as if that is what we ought to agree to. For now, let us proceed in the normal course.

Mr. CONRAD. Fair enough. We appreciate the chairman looking into that, and we appreciate the consideration of the chairman of the Armed Services Committee as well.

Mr. WARNER. I thank all colleagues. Basically, I sought recognition so the Senate will understand there will be an amendment of some type which will be, in a sense, in opposition to my distinguished friend and colleague from Louisiana.

Ms. LANDRIEU. I appreciate that. Let me comment briefly as we decide the appropriate way to proceed. I must certainly note we will have a vote on this amendment that Senator CARNAHAN and I are offering. I suggest to the distinguished managers, our amendment and that of Senator WARNER could be complementary. His amendment deals only with 1 year of an increase, which I actually support. I agree we need an increase for the 2002 budget. My amendment makes a longer, more reliable, stable commitment over 10 years. Given the underlying budget resolution does the same, we are not necessarily in disagreement, except for the fact that mine has a 10-year outlook and his has only 1 year. I simply argue that while his amendment might be a step to take, we could certainly take this step as we make a decision for the strategic investment that we need to make over this decade—not just for 1 year.

On another point, some may say: Senators, you know there is a strategic review under way. Shouldn't we wait before we consider this amendment?

I have brought to the floor today studies that I could submit for the RECORD. This one is a ''Strategy For Long Peace,'' by the Center for Strategic and Budgetary Assessments. I am just going to refer to two.

This one is called ''Averting the Defense Train Wreck in the New Millennium'' by the Center for Strategic and International Studies in Washington, DC. These are two very well known and well-respected think tanks.

As I said, I have with me an additional 15 studies that I have brought, from conservative to liberal think tanks, that have looked at this issue and are actually probably part of the strategic study underway. In no case that I can find, after reviewing all of these studies, do any at all indicate that a strategic review would result in less of an increase or reduction in defense spending—not one. Even with those arguing for transformation from a cold war structure to a new structure, even for those who are arguing for very aggressive transformation, there is not a study that we can find, no expert on either side of this debate, who is going to make an argument that this spending line is going to go down. It is going to go up. Yet the budget resolution we are debating is not, in the current form, going to allow for that.

So our amendment will set aside $100 billion out of the tax cut, $10 billion a year, to make room for the strategic study, to make room for the quality of life, to make room for the improvements that need to be made to boost the morale and to boost the vigor of our Armed Forces. Waiting is not only going to force us to make some very tough decisions down the road, but waiting is also going to cost the taxpayer billions of dollars because of the delay, because of this budget gap. It is not fair and it is not right and it is not smart. We can do it all if we use common sense and reasonableness and we are careful about what numbers we put on the tax cut and on certain strategic investments.

I am going to try to wrap up in just a moment, only to say the President campaigned on this issue when he ran for President. People voted for him based on a promise to support an increased military investment. Many of us who even voted for the other candidate believe it is a very important step to take now, to improve and to strengthen our investments, particularly the quality of life issues of housing, pay, other compensation, and health care; to strengthen our retention of our forces and to provide for them the things that we promised when they signed on the bottom line.

If we are careful, if we make the right decisions today, we can have a reasonable tax cut, we can pass strategic investments in education and defense, and we can pass a budget that will work, not only for this year but for next year and for many years to come. So I am proud to offer this amendment on behalf of my colleagues. I could give many more examples where it comes to our Navy, to our Army, to our Air Force, to Marines, to the things we need to maintain our ships and planes, as well as our quality of life issues.

In closing, let me say with all due respect to my chairman, who is going to offer another amendment, whether he

does it before I do or after I offer mine, I agree with him that we need to increase spending by his amendment of $8.5 billion for 2002. But that does not go far enough. We are laying down a budget for the next 10 years. Are we just going to offer our military an increase for 1 year and say you are on your own for years after? We need to be reliable. We need to be trustworthy. We need to live up to our promises. We need to support the Landrieu-Carnahan amendment that will begin to make a modest investment to keep this line stable, to keep our country secure, and to put the money where our mouth is. When we say we support our men and women in the Armed Forces, let's do it now. If we cannot do it now, when are we going to do it?

Once this budget resolution passes without my amendment, it will not matter if 100 strategic studies come back. There is not going to be any money to fund it. Let us, while we can, make the investment for our men and women in the Armed Forces.

I yield the remainder of my time back. I think the manager has done a beautiful job. Senator CARNAHAN would like to speak for a few minutes on this amendment.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank the Senator from Louisiana, who is a distinguished Member of the Armed Services Committee, for her amendment. I think it is an important amendment, one of the most important amendments we will consider in the context of a budget resolution. On the Budget Committee we heard witness after witness tell us we needed to add $5 billion to $10 billion a year over the next 10 years to the defense budget to be responsible. The Senator from Louisiana has added that $10 billion.

Let me say we had a hearing before the Budget Committee with four witnesses: two Republican witnesses, two Democrat witnesses. They were in agreement on the amount of money needed to be added to defense, given the stress on the defense budget, with the higher rate of operations, with the need for additional resources to meet demands we have put on the Defense Department.

President Bush has called for a strategic review. We agree absolutely that is important and that is appropriate. We also believe there is no question that additional resources have to be provided to the Defense Department. We need to strengthen our national defense. If we do not provide the money in a budget resolution, it is not going to be available. So this amendment is critically important.

I understand the Senator from Missouri, Mrs. CARNAHAN, would like to speak on the amendment as well.

Mrs. CARNAHAN. Yes.

AMENDMENT NO. 188

Ms. LANDRIEU. If I may interrupt for one moment, I understand the amendment is now at the desk, so I would like to officially call it up.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Louisiana (Ms. LANDRIEU) for herself, Mrs. CARNAHAN, Mr. LIEBERMAN, Mr. REED, Mr. LEVIN, Mr. BREAUX, Mr. CORZINE, Mr. GRAHAM, and Mr. NELSON of Florida, proposes an amendment numbered 188.

Ms. LANDRIEU. I ask unanimous consent the reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. CONRAD. The Senator from Missouri has requested 10 minutes? The Senator from Missouri is provided 10 minutes off the resolution.

Mr. WARNER. Mr. President, parliamentary inquiry: Would it be appropriate——

The PRESIDING OFFICER. Does the Senator yield? Does the Senator from Missouri yield to the Senator from Virginia?

Mr. REID. Without her losing the floor.

Mrs. CARNAHAN. Yes.

The PRESIDING OFFICER. Without objection, the Senator from Virginia.

Mr. WARNER. Mr. President, the distinguished Republican manager wishes to address a unanimous consent request which I think meets the objectives, such that our valued colleague from Louisiana can get the first vote, then my second-degree would be the second vote. I wonder if the managers would refer to that.

Mr. DOMENICI. Mr. President, I ask unanimous consent the pending Landrieu amendment be laid aside and Senator WARNER be recognized to offer an amendment relative to defense. I further ask the debate run concurrently on both first-degree amendments and be limited to 60 minutes equally divided, and following that time the Senate will proceed to vote in relation to the Landrieu amendment and then in relation to the Warner amendment. I further ask consent no amendments be in order prior to the votes just described and the votes occur in a stacked sequence with 2 minutes prior to each vote for explanation.

The PRESIDING OFFICER. Is there objection?

Ms. LANDRIEU. Reserving the right to object, I just have a question.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. I have no objection to the 60 minutes divided for the discussion of the Landrieu-Carnahan amendment and the Warner alternative. How will the debate proceed? Will we alternate pro and con or will we take our 60 minutes first or alternately allocate the time?

Mr. CONRAD. Mr. President, it is our intention that the two managers allocate time so there is a fair division.

Reserving the right to object, since Senator CARNAHAN was previously recognized off the resolution, I assume this would follow her remarks. Would that be the intention?

Mr. WARNER. Certainly that would be satisfactory.

Mr. DOMENICI. In which event we ask 10 minutes be added to our side.

The PRESIDING OFFICER. Is there objection?

Ms. LANDRIEU. Reserving the right to object, there are a number of other Members who would want to speak on this amendment. I am wondering if Senator LIEBERMAN, who was here, and Senator REED, who was here, will be given time to speak on this amendment?

Mr. DOMENICI. Sixty minutes divided equally. That is what it says. We will work on rotation.

The PRESIDING OFFICER. Is there objection?

Mr. CONRAD. Reserving the right to object.

The PRESIDING OFFICER. Objection is heard.

Mr. CONRAD. Reserving the right to object, I would hope that we could work this out so we have a firm understanding of what will occur so feelings are not bruised in the process. It is easy to have happen.

Let's be clear. As I understand it, then, Senator CARNAHAN will proceed with 10 minutes off the budget resolution, and then there will be the 60 minutes between the two sides with respect to these amendments. Is that acceptable?

Mr. DOMENICI. I say to the Senator, I thought you just prevailed. She will get the 10 minutes she had. And then the 1 hour will become operative, at which time we agree we each get half of that; but we will accommodate back and forth so no side gets unfair treatment.

Mr. CONRAD. Good.

The PRESIDING OFFICER. Is there objection?

Ms. LANDRIEU. I withdraw my reservation.

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

The Senator from Missouri.

Mrs. CARNAHAN. Mr. President, when families across the country plan for the future, they first determine their essential priorities. Then they put money aside to make sure they can pay for them. Only after those priorities are met, do our families decide whether money is left over to pay for other things.

I believe we would be wise to approach the Federal Government's budget the same way.

First, we should determine how much we need to invest for vital national priorities. The remaining funds should be returned to the people through a tax cut. We can meet our national priorities and still provide for substantial tax relief to America's working families.

But the budget we are considering seems to have been constructed exactly the opposite way. It appears to have

been built around the $1.6 trillion tax cut, leaving us without adequate funds to meet our budgetary needs.

One of the most glaring shortfalls in the President's budget is in the area of national defense.

Of the $5.6 trillion in anticipated surpluses, the budget proposed by President Bush spends only $60 billion—about 1 percent—on defense.

I believe that this level of military funding is inadequate to meet our military's current and long-term needs. The amendment that Senator LANDRIEU and I have proposed will remedy this flaw by increasing defense spending over the next 10 years by $100 billion above what the President has proposed. I commend Senator LANDRIEU for her leadership on this issue and am pleased to join with her in supporting the men and women of our Armed Forces and in protecting the national security.

Leaders of our Armed Forces tell us that we must invest in both personnel and equipment to preserve our preeminence in the 21st century. The list of military needs is exceptionally long. That list includes, but is not limited to, modernizing our tactical aircraft and other aging weapons systems, increasing the readiness of our forces, building decent housing on our bases at home and abroad, improving the quality of military life, increasing military salaries and health benefits, maintaining and repairing our aging infrastructure, and securing our information technology.

Virtually every expert that has looked at the state of our military agrees that major new investments are required.

Just last September, the Joint Chiefs of Staff estimated that $50 billion per year in additional funds were needed to maintain readiness and to modernize our forces. And the Joint Chiefs were only talking about modernization and readiness. The $50 billion figure did not include the investments needed to increase retention of personnel and improve the standards of living for military families.

Examples of urgent funding requirements abound. But let me take a few minutes to discuss the situations on the two major bases in Missouri, Fort Leonard Wood and Whiteman Air Force Base, with a special focus on housing.

Fort Leonard Wood's housing units were constructed between 1958 and 1964. Only one out of six units has been fully renovated. The floor plans are outdated. There are insufficient playgrounds and storage space. Many homes are below Army standards in size and quality. The poor grade of housing at Fort Leonard Wood is one of the factors that makes it difficult for us to retain our highly trained and skilled senior enlisted personnel and officers.

Numerous other infrastructure improvements are needed at Fort Leonard Wood. The most disturbing one that has been reported to me is the lack of running water or sewers on the 48 ranges used to train our young men and women. The latrines on the ranges are some of the worst in the command. Some soldiers are said to limit their water intake to avoid using these decrepit facilities.

Military personnel at Whiteman Air Force Base face other indignities. Family housing suffers from termite damage, water seepage, and flooding of playgrounds. Twenty percent of all units have been vacated due to termite and water damage.

Unfortunately, I cannot say that help is on the way.

The backlog of deferred maintenance at Fort Leonard Wood comes to about $66 million. The current annual budget of $13 million is $2 million less than necessary to sustain the current housing stock and $6.6 million less than what is necessary to reducing the backlog. To make matters worse, high utility costs this year have caused a shortfall of $1.8 million, which is being taken from the housing maintenance budget.

At Whiteman, $125 million are needed to fix 900 units, construct 129 new units, and repair playgrounds, streets, and other common areas. But Whiteman's annual housing budget is $7 million less than necessary to implement this plan.

The problems in Missouri are duplicated across the country and at our bases abroad. The Commander in Chief of the European Command, General Ralston, testified last month before the Armed Services Committee on which I sit. He said that 70 percent of the housing in Europe did not meet Army standards. And the Department of Defense reports that the backlog of real property maintenance is $27.2 billion.

The Landrieu-Carnahan amendment is designed to meet these needs in the years to come.

The amendment will reduce the President's tax cut by $100 billion and dedicate these funds to defense spending.

Reducing the tax cut by this amount will only slightly lessen the amount returned to the wealthiest Americans under the President's plan. I believe that these Americans would be willing to take this sacrifice if they knew that the money would be spent for better equipment, housing, and salaries for our military personnel.

When I asked new appointees to the Pentagon how they plan to address the shortfall in the budget, they have all told me that these issues are currently being considered in the Pentagon's comprehensive strategic review. I applaud the new administration for conducting this review and for proposing to ''transform'' the military to meet the security threats of this new century. But no one believes that this new review is going to lead to reduced defense spending over the next decade.

Quite the contrary. One expert, Dr. Andrew Krepinevich of the Center for Strategic and Budgetary Assessments, testified before the Senate Budget Committee. He said that there is a $120 billion mismatch between our current defense plans and projected defense budget. The Pentagon's strategic review may result in some cuts to existing programs. These cuts, however, will not cover both the $120 billion shortfall, plus whatever new costs are required to transform the military.

The bottom line is that there will be calls to spend more, not less, on defense after the strategic review is over.

We should prepare for that certainty now by adopting a budget that contains realistic spending levels for national security.

The problem with waiting until after the review is over is that Congress is poised to pass the President's tax cut now. If this tax cut passes, the necessary funds simply will not be available for the required level of defense spending.

This amendment is a much more prudent approach. It sets aside the funds for our military needs over the next decade.

In the unlikely event that the strategic review calls for less spending than this amendment provides, that money can always be used for tax cuts, or other purposes in the future. But everyone in the Chamber knows that we will not be able to undo a tax cut, not even to increase defense spending. If the President's tax cut goes forward, our military budget is going to feel the squeeze in the years and decades to come.

So I strongly advocate this amendment. I urge the Senate to stand behind the men and women who defend our country by adopting this important measure.

I yield the floor.

AMENDMENT NO. 189

The PRESIDING OFFICER (Ms. COLLINS). Under the previous order, the Senator from Virginia is recognized to offer his amendment.

Mr. WARNER. Madam President, I send to the desk an amendment. It is a first-degree amendment. As I understand, under the UC there will be sequential votes.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for himself, Mr. HUTCHINSON, Mr. ROBERTS, Mr. INHOFE, Ms. COLLINS, Mr. MILLER, and Mr. KYL, proposes an amendment numbered 189 to amendment No. 170.

Mr. WARNER. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To increase the levels of new budget authority and budget outlays provided for the National Defense (050) major functional category for fiscal year 2002, and to make corresponding adjustments necessitated by those increases)

On page 10, line 21, increase the amount by $8,500,000,000.

On page 10, line 22, increase the amount by $6,460,000,000.

On page 43, line 15, decrease the amount by $8,500,000,000.

On page 43, line 16, decrease the amount by $6,460,000,000.

On page 48, line 8, increase the amount by $8,500,000,000.

On page 48, line 9, increase the amount by $6,460,000,000.

Mr. WARNER. Madam President, I first pay tribute to my two colleagues, members of the Committee on Armed Services. As I listened very intently to their comments, there is not much with which I can disagree with respect to the need for additional funds.

Where we differ, I say with due respect, is that we have a new President, a new Secretary of Defense, and there are a number of Members in this Chamber on both sides of the aisle who have commended President Bush and Secretary Rumsfeld in their initiatives to go back and reexamine the entirety of America's defense posture and to give greater emphasis to the emerging and ever-changing threats poised against our Nation and providing everyday risk to the men and women of the Armed Forces who are posted beyond our shores standing watch in the cause of freedom.

This amendment prejudges the end result of these studies and prejudges the Bush administration and how they are going to reorient our defense posture for the outyears. It lays out a 10-year program; in a sense it allocates the 10 for each of the years.

My amendment addresses but 1 fiscal year, 2002. It is the budget which we are working on now. President Bush, when he came to office, looked at the Clinton budget and decided to add $14.2 billion for this particular fiscal year. That was done very early on when he arrived into office. Subsequent thereto, the work of our committee produced papers, an analysis which showed that even funding of 14.2 falls short of what is desperately—I use that word very cautiously but very truthfully—needed by all the military departments to get our military through the 2002 fiscal year, to maintain its readiness, to maintain the quality of life for the men and women of the Armed Forces, and to hope to strengthen the ability of the services to retain. I cannot emphasize too strongly the need to retain middle-grade officers and senior enlisted men and women.

We are falling short in those areas, and we now realize we must do more. Whether it is pay, housing, medical, hopefully less deployment, but we are falling short in that way. Every time we lose a pilot, the American taxpayers lose several million dollars of investment in the training that he or she has received through the years. Only a small amount of money, only a small amount of improvement in housing, only a small amount of improvement in health care could well have retained that highly skilled aviator and/or the maintenance chief down on the line working night and day to repair and keep the planes flying.

This amendment by my two colleagues really prejudges what our President and Secretary of Defense will come up with. I would like to hypothetically put this to my colleagues. I think we should give this President the opportunity to make his judgments and to come back in subsequent fiscal years to the Congress and say: This is precisely what I need, or I don't need the full 10 billion, should this amendment become law.

Stop to think about that. It could be in fiscal 2003 that our President wishes to increase the defense budget by 20 billion and represents to the Congress at that time, absent unforeseen contingencies, the following fiscal year he could have level funding and/or maybe just a billion or two additional funding.

This President is reorienting the budget more and more towards the threat, beginning to scale down the number of deployments and hopefully improve the retention.

On the committee—I speak of the committee in terms of its staff because we worked on this in a bipartisan way; I presume my colleague, Mr. LEVIN, will join in this debate—the figures that were worked up were produced in conjunction with analyses supplied by the Department of Defense. We broke out the following amounts in various line items, all in the 05, which is the readiness account:

Three-tenths of a billion for force protection. More and more we recognize that our bases overseas are subjected to terrorism. We have experienced very serious accidents this year, the U.S.S. *Cole* being the most severe. So we need three-tenths of a billion to help augment those expenditures.

Six-tenths of a billion for personnel. Again, special pay, pay directed at those specialties, whether it is flying or maintenance or medical or computers or the like, where we are having difficulty retaining those individuals with the competitive forces in the private sector.

Energy costs. It simply requires that we have this to maintain the barracks, to maintain the housing, to maintain the office buildings, to maintain the hangars, to maintain the ships. Our energy costs have gone up not unlike those being experienced by the civilian sector.

Maintenance. The Senator from Louisiana put up a chart with which I agree. Deterioration of the base infrastructure all throughout our services, Seven-tenths of a billion for that. Base operations. Again, we were underfunded in the accounts. That brings in another nine-tenths of a billion—nine-tenths of a billion in real property maintenance, the buildings. We will, hopefully, go through a base closure piece of legislation within the next 24 months to complete that. But in the meantime, it is absolutely essential to maintain the infrastructure we now have in a condition so that it protects the airplanes in the hangars and protects the personnel in the barracks.

Then we go to the direct health care system. We passed historic legislation last year—TRICARE. It was something that the retired community has wanted for many years, something they were really promised when they joined the military services. Now that is going to be a significant cost item. In years past, we had not even funded TRICARE to the levels that were needed to maintain the costs before our legislation takes effect. As a consequence, we were drawing funds out of the major military hospitals.

I went by and visited both Bethesda and Walter Reed recently in connection with seeing friends there, and the commanding officers, all in a very respectful way, said: Senator, we do not have sufficient funds to maintain these hospitals that are taking care of the active duty, primarily—some retired—and their dependents. And that requires $1.2 billion. But that ties directly to retention. The degree that we properly care for the families and the active-duty personnel reflects the degree to which we can retain these valuable people in uniform.

Fuel. This is different from base. This is for flying the aircraft. This is manning the ships. This is training in the trucks, in the tanks, the artillery pieces, mobile. This is where the fuel is needed. That is a significant cost. Then, of course, in addition, it is for flying hours and the spares.

I expect every Member of this Senate has learned of the cannibalization going on, where you take parts from perfectly good equipment and put them in other pieces to make them run. That is no way to run a first-class military. But, regrettably, those dollars associated with the normal maintenance and the spares have been inadequate for a number of years, and we are asking $1.6 billion to put back on the shelves sufficient spares to enable our troops to train and keep their equipment in readiness. This was very carefully documented.

It is interesting; in the amendment of my distinguished colleague—the Senator from Louisiana—she has the exact sum. My guess is that she, quite rightly, has access to the same information. I must ask that in the form of a question at an appropriate time. But she predicated 2002 on this figure.

I say the proper course of action is to be respectful of the fact that this President has taken an initiative to study our military very carefully, analyze the threat, and then to put together carefully a plan to make such revision as he deems necessary for this year and our outyears under the normal 5-year fit-up program—not 10. I think, in fairness, he should be given that opportunity.

I will leave it to others to address the question of how this reduces the overall proposed tax cut, how it goes to other areas of the budget. But my responsibility as chairman of the Armed Services Committee is simply to stick, at this moment in the debate, to those

facts as they relate to how this Nation should go forward in providing for the men and women of the Armed Forces. I say out of respect for this President, we should give him the right, the authority, to go ahead and do the studies. We augment, by my legislation, a single fiscal year for necessities, and I don't think anybody can dispute the need. I would be anxious to hear from the proponents of the other legislation. I think the 2002 figure is direct and for the right reasons. For the years beyond 2002, let our President come forward—it may be greater in 2003, and 2004 could be less—and we go about our responsibility under the Constitution to maintain our Nation strong and free, in accordance with the wishes of this President.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. How much time did Senator WARNER use?

The PRESIDING OFFICER. The Senator used 14 minutes.

Mr. DOMENICI. Madam President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. This is coming out of the 60 minutes, and then I will, obviously, yield to the other side.

What Senator WARNER is saying to the Senate is, under our unanimous consent request, the Senate will get to vote on the amendment of the Senator from Louisiana, to be followed by a vote on the Senator's amendment, which he has described, an $8.5 billion increase for 2002.

Mr. WARNER. Madam President, the Senator is correct.

Mr. DOMENICI. Having said that, I want to tell everybody there is a big difference between these two amendments, beyond the fact that this distinguished chairman of the Armed Services Committee is saying fund at 2002 and let's wait for the President's request.

The opposition amendment of the junior Senator from Louisiana is an interesting amendment as it deals with defense because it actually cuts the taxes—the taxes the people thought they were going to get back. It reduces that by $100 billion. At first, it was $200 billion. So it reduces that by $100 billion out of the tax cut in order to pay for this amendment.

It seems to me the distinguished Senator who chairs Armed Services has a good point, and I hope everybody who wants to follow his lead will, indeed, understand that the second vote tonight will be on his amendment. He very much desires that this position be made. As chairman, he wants it to be taken by the Senate. We will be here for the next 15, 20 minutes if anybody has any questions. But I send out a little signal that we have a unanimous consent, which means we are going to vote pretty soon. I might speculate with Senator REID that we are going to vote within 30 or 40 minutes. So everybody should know that. All time will be used up.

Senator CONRAD has indicated he may give me an additional 10 minutes if I need it because there was an additional 10 minutes used on that side. You can add that to the mix and figure out the time.

Mr. WARNER. Madam President, I ask unanimous consent that this letter be printed in the RECORD.

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

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, March 19, 2001.

Senator PETE DOMENICI,
Chairman,
Senator KENT CONRAD,
Ranking Member,
Committee on the Budget, U.S. Senate, Washington, DC.

DEAR PETE AND KENT: In accordance with your request, I am forwarding my recommendations on funding for the programs in the jurisdiction of the Armed Services Committee for the Fiscal Year 2002 Budget Resolution.

In the near term, I believe there are some urgent needs for which a Fiscal Year 2001 supplemental is appropriate, including the shortfalls that experts in the Department of Defense have identified in the defense health care program, increased flying hour costs, and full funding for the higher housing allowances currently being paid to military personnel living off base.

With respect to Fiscal Years 2002 through 2006, I agree with the Secretary of Defense that it is prudent for him to conclude his strategy review and present it to the President and the Congress for our consideration before we make final decisions on the shape and overall funding levels for our future defense program.

However, I believe there are certain requirements that must be addressed regardless of the outcome of the ongoing strategy review. Some increases above the projections contained in the President's budget outline of February 28 will be needed to continue the transformation of our military to meet the threats of the new century, to fulfill the commitments the Congress has made to provide quality health care to active and retired military families, and to continue the progress we have made in recent years to improve compensation, housing and other quality of life programs for our military families. I also recommend that the Budget Resolution provide a sufficient mandatory spending allocation for the Armed Services Committee to permit enactment of legislation providing full funding for (1) the transferability of benefits under the Montgomery G.I. Bill to family members; and (2) reform of the statute prohibiting concurrent receipt of military retirement and veterans disability compensation.

For these reasons, I believe it would be prudent to establish a reserve fund in the Budget Resolution to accommodate the near-term and long-term adjustments to current defense plans that the Administration and the Congress may decide to implement once the Secretary's strategy review is completed. I recommend that this reserve fund provide in the range of $80 to $100 billion for the national security priorities I have identified above the levels projected by the President over the next ten years, pending the completion of this review.

In my review, this reserve fund should be over and above amounts set aside to fully protect the Social Security and Medicare Trust Funds, pay down the national debt, and meet other priorities, and should not be lumped into a single reserve fund in which defense funding needs would have to compete against other vital national priorities. I also believe this reserve fund should be established in the Budget Resolution before a decision is reached on the various tax proposals before Congress. I have serious concerns that a tax cut of the size proposed by the President would not leave sufficient funds for future increases in defense and other important programs.

I look forward to working with you on a Budget Resolution for Fiscal Year 2002 that provides the necessary funding to preserve our strong national defense and the other important programs that are essential to our nation's security and prosperity.

Sincerely,

CARL LEVIN,
Ranking Member.

Mr. WARNER. Madam President, this is a letter from Senator LEVIN, the ranking member of the Armed Services Committee, to the distinguished Chairman DOMENICI and the ranking member, Mr. CONRAD, of the Budget Committee addressing the needs, as we see them, for defense in the years to come.

I will read one paragraph which I think is really dispositive of what we are discussing. I quote Mr. LEVIN:

> In the near term, I believe there are some urgent needs for which a Fiscal Year 2001 supplemental is appropriate, including the shortfalls that experts in the Department of Defense have identified in the defense health care program, increased flying hour costs, and full funding for the higher housing allowances currently being paid to military personnel living off base.

He continues:

> With respect to Fiscal Years 2002 through 2006, I agree with the Secretary of Defense that it is prudent for him to conclude his strategy review and present it to the President and the Congress for our consideration before we make final decisions on the shape and overall funding levels for our future defense program.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, on behalf of Senator CONRAD, the manager of the bill, I yield time to the Senator from Rhode Island, but prior to doing that, I want to indicate how fortunate we are in the Congress, in the Senate, to have someone of his knowledge.

Senator JACK REED is a graduate of the United States Military Academy at West Point. He was an airborne ranger, a company commander. He was part of the 82nd Airborne. He had 35 jumps. His career in the military, including his time at West Point, consisted of 12 years. He was a professor at West Point.

He not only is a member of the Armed Services Committee in the Senate, but during the time he served as a Member of the House of Representatives, he served on the very important Intelligence Committee.

This man has served our country, including his time at West Point, some 12 years. I do not know of anyone I would rather have speak on issues relating to the military than JACK REED, the senior Senator from Rhode Island. I yield 10 minutes.

Mr. WARNER. Madam President, I associate myself with Senator REID's remarks. Senator JACK REED is a very valuable and well-informed member of the Armed Services Committee, as well as his colleagues, the principal sponsors of the amendment.

Mr. REID. Madam President, the Senator from Virginia and I have a mutual admiration society. We have served on the same committee since I have been in the Senate. I am always impressed with the seriousness of everything he says, especially on the Senate floor.

Mr. WARNER. I thank my colleague. I share his view.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Madam President, I rise to lend support to the amendment of Senator LANDRIEU and Senator CARNAHAN and commend my chairman for his amendment. All of these individuals recognize the need for additional resources in defense spending. In fact, when it comes to Chairman WARNER, there is no one in this Chamber who has been more solicitous and supportive of the welfare of American fighting men and women and the readiness of those forces than the Senator from Virginia, but I believe this is an important moment in the debate to make a broader point about this budget and defense spending.

Explicitly, this budget calls for a $1.6 trillion or $1.7 trillion tax cut over 10 years. It reserves the money for that tax cut. Yet it ignores anticipated expenses that we already know will be incurred in defense. When it comes to defense spending in this budget, there is only one word for it: this budget is disingenuous.

We are not prejudging President Bush. We are taking him at his word. I quote the President:

> At the earliest possible date, my administration will deploy antiballistic missile systems, both theater and national, to guard against attack and blackmail.

When we look at the estimated costs for a national missile defense, it is approximately $115 billion, and that total is growing with each new reestimation. The $115 billion was an estimate that was included in this week's Defense Week magazine.

This national missile defense is a centerpiece of the President's strategic program. I hardly believe that at the end of the strategic review conducted by the Secretary of Defense—and I commend him for that review—that the Secretary of Defense or the President will recommend that they withdraw their support for national missile defense or theater missile defense.

We already know the President may urge us to spend as much as $115 billion just on national missile defense, and there is nowhere in this budget over 10 years that these costs are recognized. This is in addition to the cost that Senator LANDRIEU was talking about—quality of life for troops and readiness issues.

Let us look again at some of these costs we know will be urged upon us. We will debate these costs. We will debate these programs. Some may be eliminated. But right now we know there is a multibillion-dollar defense program coming our way, and this budget does not provide for it.

What this budget does is cut taxes explicitly to the tune of $1.7 trillion, yet ignores defense programs to which the President is emotionally, passionately committed. I think that is disingenuous, as I said before.

If you look at national missile defense, we started and are developing a land-based system. It is estimated that the cost of 100 interceptors, a very rudimentary system, will be $43 billion. Again, I do not think that number is properly accounted for in this budget going forward 10 years. That system is criticized by many, including President Bush, as being not robust enough; that we have to build a system that is layered, not just a midcourse interception of enemy missiles coming to the United States by land-based systems, but also we have to have sea-based systems perhaps that will intercept in the boost phase and other systems that can intercept in other phases in flight. All of this adds additional cost.

If the Administration chooses to go to a sea-based system, the likely candidate is called the Navy theater-wide missile defense system. That is one system. That system is just being developed now. Estimates for that system—to buy the ships, deploy the radar, deploy the missiles—is about $5.5 billion. Again, we are not talking about this cost.

If we look at another aspect—the spaced-based laser is the program the Air Force is developing—this system would be designed to be orbiting in space and also intercept enemy missiles. That is another multibillion-dollar program that is hardly off the drawing board. Yet the administration may choose to pursue this option and the cost is not accounted for.

That is the realm of national missile defense—about $115 billion and counting. Indeed, every time there is an estimate of costs, the costs go up.

This is a revolutionary innovative system that the Defense Department is already developing. But none of these costs are provided in this budget.

If we look at theater missile defense, we just had good news. The PAC–3 missile system has been successfully tested. It is an advanced theater missile defense, but the sobering fact is that the PAC–3 missiles cost has increased more than 100 percent over the last few years, another cost not appropriately factored into the system.

There is another Navy lower-tier missile defense system with estimates of about $7 billion to develop. Again, it is not recognized in this budget.

The Army is developing a missile defense called THAAD. Once again, that is struggling forward, being tested, being developed, estimated at billions of dollars.

There is the Air Force airborne laser on aircraft, estimated at $6.5 billion in acquisition costs. That, too, is being considered but not budgeted.

After we look at these programs, one after the other, and the President's commitment to have a robust comprehensive national missile defense and theater missile defense, we are talking about hundreds of billions of dollars. It is not in this budget.

Just as the President eloquently and passionately called for a tax cut, he called for national missile defense. This budget is silent about those costs as it trumpets tax cuts.

I do not think that is the way to do a budget. I do not think that is fair to our military forces because we know what will happen. These programs will be urged upon us. We will have a choice to borrow money because there is no money left after the tax cut to fund military programs, or to take money from domestic priorities.

I do not think we should put ourselves in that position. We should honestly and fairly put in this budget those costs we know and the significant costs that are coming regardless of the outcome of this strategic review.

We can illustrate, talk about other costs. We have other responsibilities. In the last few weeks, as a member of the Strategic Subcommittee of the Armed Services Committee, we have had several different commissions report to us. They have already done their studies.

Secretary Schlesinger, former Secretary of Defense and former Secretary of Energy, reported to us on the status of our nuclear safeguarding procedures and all the laboratories that guard the readiness of our nuclear devices. His estimate is $800 million just for maintenance backlog; $300 million to $500 million per year for ten years for recapitalization—new equipment, new computers—billions of dollars a year to clean up nuclear waste sites. We know these costs already. They are not in this budget.

The Department of Energy also runs programs to reduce the threat of weapons in the former Soviet Union, in Russia. We have been funding multimillion-dollar programs which we have to continue to fund to ensure our national security.

The Strategic Subcommittee has heard the Space Commission's report. The Space Commission was chaired by Secretary of Defense Rumsfeld. This Space Commission has urged significant investments in our space capability. They rightly point out we don't have the situational awareness from space to understand what type of missiles might be fired, what might be a threat to us, or not a threat to us. They have not put a price tag on it. But again, we are talking about a very innovative, very expensive system, that the Secretary of Defense is very committed to. Another total not reflected in the budget.

We just had this week a report about the National Reconnaissance Office

which is responsible for overhead coverage, our satellites, our intelligence satellite. They, too, are indicating additional moneys must be spent.

These studies have been completed. The verdict is in: We need more resources. Yet this budget does not reflect those costs. We are talking about billions and billions of dollars in military programs. One could debate and argue the merit of each, but we know they will be urged upon us.

We have a budget that ignores the obvious costs in order to fund a very large tax cut. I think we have to be straightforward and honest about this budget. We have to recognize the need for defense. Again, we are not prejudging the President; we are taking him at his word that he wants to build a national missile defense, that he wants to continue on the work of our nuclear stockpile safeguard program, that he wants us to be a leader in space as we have been on the oceans and in the skies and on land. And all of this costs money. There is none of this money in the budget.

I urge the passage of Senator LANDRIEU's amendment. I also urge as fervently that we look carefully at this budget and honestly reserve from this proposed tax cut the real resources we will be asking for and this administration will be asking for within months of our vote on this budget.

I yield the floor.

Mr. WARNER. Madam President, on my time, if I could ask my distinguished colleague a question. I pride myself on being among those who are strong supporters of the concept of a limited missile defense. I have been on this floor much of the 23 years I have been privileged to be in this body arguing for the need for this country to provide for its defense against that threat.

I listened to the very careful recitation of all the options in the outyears. I think some of those options require significant modification of the ABM Treaty. Do I glean from that the Senator could be in favor of modifications to the ABM Treaty, or maybe the abrogation of the treaty if we are unsuccessful in modifications?

Mr. REED. I respond at this juncture the question is premature since the systems we are testing have not proven effective technologically. I would be reluctant to abrogate a treaty until I knew we had a system that worked with a high degree of confidence. I hope some day we have that choice.

Mr. WARNER. I doubt we could proceed to some of the naval systems, which would require modification. You certainly have to concur in that.

Mr. REED. The Senator is likely right about those. As I understand the ABM Treaty, there are restrictions on anything other than a limited land-based system.

Mr. WARNER. It is a point of reference. I also add the historic act adopted by Congress in response to the bill by the distinguished Senator from Mississippi, Mr. COCHRAN, carefully spells out that we can only proceed as technologically feasible, and that would be the pacing item. I am not so sure we can prejudge here in this limited review that we will spend all this money on missile defense that my colleague suggests. It seems to me we will have to pace ourselves as technically feasible.

I think to ask this Chamber at this time to accept as a premise that all of this money is going to develop in the hundreds-plus of billions of dollars at this early date is a little premature.

Mr. REED. I don't think the Senator is saying he suspects that the President is not serious about a missile defense.

Mr. WARNER. No, I am not saying that. I am dead serious. But I think we will pace ourselves, and it is a little early to begin to think about the magnitude of the budgets associated with missile defense.

I didn't hear my distinguished colleague from Louisiana mention missile defense in the course of her direct testimony unless I missed it.

Ms. LANDRIEU. No, the Senator from Virginia did not hear me, but our colleague did such a beautiful job on missile defense.

Mr. WARNER. I yield the floor.

Mr. CONRAD. Madam President, how much time remains on the amendment on our side?

The PRESIDING OFFICER. The Senator has 18 minutes, and there are 9 minutes remaining on the other side.

Mr. CONRAD. I have agreed that if Senator DOMENICI thinks he needs an additional 10 minutes, we will grant that in the interest of fairness.

If I might briefly say, I am kind of surprised at what I am hearing tonight. I hear from the other side they are fully ready to make a 10-year commitment to a tax cut, but they don't want to make a 10-year commitment to defense. There is not a soul in this body who doesn't know when the President's strategic review is completed they will come back and ask for additional money. Does anybody believe they will not do that? When they come back, the cupboard will be bare; the money will be gone.

What we are saying with this amendment is, let's put some money in the cupboard so when we are asked to fund defense with additional dollars, we have it. That is a responsible thing to do.

I commend the Senator from Louisiana. I commend the Senator from Missouri. I commend the Senator from Rhode Island. This is responsible national defense policy.

I understand the Senator from Connecticut is seeking time.

Mr. LIEBERMAN. I was hoping the Senator would have commended me, too, for cosponsoring this amendment.

Mr. CONRAD. I am always glad to commend the Senator from Connecticut, and I yield 10 minutes to the Senator.

Mr. LIEBERMAN. I thank my friend and colleague from North Dakota for his thoughtful and persistent and effective leadership on these budgetary matters. I thank the Chair and will see if I can use less than 10 minutes.

I rise today to support this amendment offered by the lead sponsor, my friend and colleague on the Armed Services Committee, Senator LANDRIEU of Louisiana, and also cosponsored by Senator CARNAHAN, a new member of the committee, from Missouri.

This is an important amendment. The Senator from North Dakota spoke some words that struck me as I listened to my chairman from Virginia about going ahead with this for 1 year but not for the 10 years. Of course, the powerful reality is, we are arguing about priorities and fiscal responsibility.

The concern of so many Members is we are committing to this enormous tax plan from the President which, by the Concord Coalition estimate, will cost $2.3 trillion over the next 10 years, threatening to take us back—not just threatening but likely to take us back—into deficit, higher interest rates, higher unemployment and we are prepared to consider on a 10-year basis. When it comes to the needs of our military, we are only prepared to allot the appropriate amount of money for 1 year.

I think what is appropriate on the revenue side is appropriate on the spending side. What is most appropriate is fiscal responsibility. What this amendment by Senator LANDRIEU puts at issue is what this debate on the budget resolution is all about, which is priorities. I suppose it is not only about that. The other part is fiscal responsibility.

We say it over and over again, and it is true, when it comes to the health of our economy, most of it happens in the private sector. Government doesn't create jobs. The private sector does. But there are a few things that Government can do to create the environment for jobs and give some incentives for jobs and economic growth. The first and most important is to remain fiscally responsible. The second is to make the kinds of investments that help the private sector grow. Incidentally, one of those is to support research and development through the Defense Department, which has traditionally, in our country, led to enormous economic growth.

So this is about fiscal responsibility. But then this amendment really is about priorities. You cannot have it all. You cannot have it all and be fiscally responsible. If you go for the Concord Coalition estimate of $2.3 trillion on the Bush tax plan, then you are making it impossible to do a lot of other things that we must do and that the people want us to do.

Of course, one of the most fundamental responsibilities that Government has is to provide for the common defense of our Nation. That does not come cheaply. There is no free lunch when it comes to national security.

Others have said, and I need not belabor the fact, that in the last campaign then-Governor Bush and Secretary CHENEY were very critical of our allocation of resources for the military and assured the military, particularly personnel, that help was on the way. Here we are in April of 2001. President Bush sends his budget to us, at least in general terms. I think we have to conclude that help may be on the way, but when it comes to our defense budget, the check must have been lost in the mail because we are not meeting the needs all of us know are there.

This amendment, introduced by the two Senators, one from Louisiana, the other from Missouri, of which I am proud to be a cosponsor, would right that wrong. It takes $100 billion from money that would be spent on the tax cut and allocates it, $10 billion a year, to our national security. It also does what folks at the Pentagon will tell you they desperately need, which is to allow for an emergency defense supplemental of $7.1 billion this year. That would make up for the $1.4 billion deficit now in the defense health program and provide immediate assistance for the real serious near-term readiness and personnel needs that have resulted from the military reductions and operating tempo increases we have seen since the end of the cold war.

There are real and present needs now that this amendment would meet. I know there has been reference to the strategic review being done in the Defense Department. I support that review. I am very encouraged by the instructions that Secretary Rumsfeld has given to those who are working on the review. We need to transform our military. We need to use the technology that is available around the world today to make sure that we are ready for the threats that will come in the future and that we are not just prepared to fight the last war, or wars of the past.

But two things about that strategic review: One is that everyone knows there are needs now and there will be needs next year and the year after and for the coming decade that deal with shortfalls—certainly in the near term—shortfalls that are basic, in items as basic to the military as ammunition, flying hours, housing, quality of life for our military personnel as documented by my colleagues who have already spoken, force protection, and aircraft and ship maintenance, including, incidentally, repairs to the U.S.S. Cole. There are immediate needs now, regardless of what the strategic review brings.

Second, as my colleagues have said already, and I will say it, therefore, briefly, no one should be under the illusion that whatever the strategic review brings will it say that we can maintain our national defense by spending less money. We are working through our committee on a bipartisan basis to push the Pentagon to be as efficient as possible. Some members of the committee have come out again with a call for another round of the BRAC, of the base realignment and closure operation, to avoid wasteful spending. But there has never been a strategic review—never been an historic transformation such as we are going through in our military today, attempting to apply the lessons and the products of information technology and high technology to our military—that has cost less. So this is a very measured and moderate amendment.

The fact is, I would wager, my colleagues, that if we had the ability to take ourselves 10 years forward and look back, assuming that we in our time and those who follow us are responsible, which I hope and trust they will be, we will, in fact, spend much more than the extra $100 billion that Senator LANDRIEU'S amendment allocates to the military because we will feel it is necessary.

Mr. WARNER. Mr. President, will the Senator yield for a question? I will ask him on my time.

Mr. LIEBERMAN. Yes, indeed. I am happy to yield.

Mr. WARNER. Did I understand the Senator to say his interpretation of the amendment is that it covers the fiscal year 2001 for the supplemental? I bring to the attention of the Senator the amendment. I do not find that provision in it.

Mr. LIEBERMAN. Responding to the Senator from Virginia, noting a very definitive but subtle shake of the head by the Senator from Louisiana, I therefore reached the conclusion that what I thought was the original intention of the amendment, which was to include an emergency supplemental for the defense, is not true?

Ms. LANDRIEU. Will the Senator yield for a clarification?

Mr. LIEBERMAN. I yield to my colleague from Louisiana.

Mr. WARNER. If I may continue the colloquy—but go right ahead.

Ms. LANDRIEU. Which makes it even more important we adopt the Landrieu-Carnahan amendment because at least there will be some money in the bank to pay some bills we know are coming due, in addition to the real and urgent needs that the supplemental represents. So I thank my colleague for raising that issue. This amendment does not cover it, but if there was a way for it to, we most certainly should because that is an additional obligation that we should meet.

Mr. WARNER. Mr. President, I recognize this Senator was one of the first to say there is a need for a supplemental, even at the time when my respected President wasn't totally in agreement with what I was saying, but now there is thinking within the department that this supplemental will be necessary and will be forthcoming. But I don't want anybody coming tonight thinking that supporting the Landrieu amendment is going to provide for the 2001 shortfalls which this Chamber will have to address at some point in time when the Appropriations Committee brings to the floor a supplemental.

I think my good friend slightly misspoke. I wanted to correct it in a very polite way. If I could move on to the second part of my question——

Mr. LIEBERMAN. If I might respond, on my time, I thank the Senator from Virginia, my respected chairman of the committee. I am encouraged. I know the military was very hopeful, as this administration began, that they would have the opportunity to receive a supplemental appropriation. I commend the Senator from Virginia. As I recall, on February 7 he sent a letter, along with 8 colleagues, to the President, stating that there are bills ''which must be paid now. If money is not provided in these areas there could be a significant negative impact on readiness for this fiscal year and beyond.''

So as Senator LANDRIEU says, this amendment would take care of the ''beyond.'' I hope you and I and Senator LANDRIEU and others can stand on this floor in this fiscal year and support a supplemental for the Pentagon.

Mr. WARNER. Mr. President, let us proceed on the second part of my question.

The PRESIDING OFFICER. The 10 minutes of the Senator has expired.

Mr. WARNER. I want to ask my questions on my time. Perhaps he could just be given another minute or so to respond to the question. Is that agreeable? On his time?

The PRESIDING OFFICER. That is up to the Senator from North Dakota.

Mr. CONRAD. Mr. President, how much time do we have remaining on this side?

The PRESIDING OFFICER. The Senator has 6½ minutes.

Mr. CONRAD. I ask the time be charged to the Senator raising the question. We have additional time that we can grant to the Senator from New Mexico for that purpose.

Mr. DOMENICI. Are you asking the question?

Mr. WARNER. I am going to ask my colleague from Connecticut another question which I thought I would ask on my time but he can respond on his time. It would take him less than a minute, I am sure. He has it right on his fingertips.

Mr. CONRAD. The problem is we do not have the additional time on this side.

Mr. WARNER. Mr. President, I will yield my colleague a half a minute—a minute on my time to answer the following question.

Mr. LIEBERMAN. The Senator from Virginia is showing his normal generosity.

Mr. WARNER. Let me address again the letter to the budget chairman, ranking member, from Senator LEVIN, which is written in very clear, plain language:

> In the near term, I believe there are some urgent needs for which a Fiscal Year 2001 [as we have discussed] supplemental is appropriate, including the shortfalls that experts . . . have identified in the defense . . .

We got that.

With respect to Fiscal Year[s] 2002 [which we are talking about] . . . I agree with the Secretary of Defense that it is prudent for him to conclude his strategy review and present it to the President and the Congress for our consideration before [Senator] we make final decisions [which this amendment asks] on the shape and overall funding levels for our future defense program.

Do you agree with him?

Mr. LIEBERMAN. Very briefly, I do. Of course, Senator LEVIN'S hope, and the rest of us, many on the committee, was that the defense supplemental would come to us before the budget resolution. But here we are on the budget resolution now, needing to make judgments about next year and years after. That is the purpose of this amendment.

Mr. WARNER. Mr. President, the language is clear. I simply ask: Do you agree or disagree with his statement again, that we should receive the results of these studies ''before we, the Congress, make final decisions on the shape and overall funding levels for our future defense program?'' Our time has expired.

Mr. LIEBERMAN. Very briefly, I say, I think my distinguished colleague from Virginia is misapplying what Senator LEVIN was saying.

Mr. WARNER. I have read it.

Mr. LIEBERMAN. Which is, he wanted an immediate defense supplemental. But here we are on the budget resolution, so our responsibility is to go forward. I will read one sentence. He says very clearly in another sentence:

However, I believe there are certain requirements that must be addressed regardless of the outcome of the ongoing strategy review.

Mr. WARNER. The letter is in the RECORD. I cannot take more of our time.

Mr. LIEBERMAN. I thank the Senator from Virginia and the Chair. I yield the floor.

Ms. LANDRIEU. I believe I have 5 minutes.

The PRESIDING OFFICER. There are 6½ minutes under the control of the Senator from North Dakota.

Mr. CONRAD. Mr. President, how much time remains on the other side?

The PRESIDING OFFICER. Six minutes 15 seconds.

Mr. CONRAD. Six minutes on the Republican side?

The PRESIDING OFFICER. Correct.

Mr. CONRAD. And we have 6 minutes on our side. I should remind the Senator from Louisiana that I indicated we would be willing to provide another 10 minutes to the Senator from New Mexico in fairness.

Would the Senator from New Mexico like that time at this point?

Mr. DOMENICI. Yes. I think to allocate it would be splendid. I may not use it all. I may give some of it back.

Mr. CONRAD. I think in fairness we should do that. And I so move that we provide an additional 10 minutes to the Republican side so that it is a fair distribution of time.

Mr. DOMENICI. I say to the Senator, thank you.

Mr. President, how much time do we have now from the amendment and the 10 minutes added?

The PRESIDING OFFICER. Sixteen minutes.

Mr. DOMENICI. I thank the Chair.

Now, Mr. President, I am sure the distinguished Senator from Virginia, Mr. WARNER, would desire to speak with some additional time, and I am sure I will not use all of it.

Mr. WARNER. That is all right. Go ahead.

Mr. DOMENICI. First, let me say, it is important we put into perspective, for those who are concerned about defense, what the Warner amendment will do for defense this year. This amendment sets a new level for national defense spending for the year 2002. It adds $22.4 billion in budget authority over the 2001 budget. That is a 7.2-percent increase. Compared to the President's budget, this proposal adds $8.5 billion in 2002. The proposal is also a $23.5 billion increase for national defense over what President Clinton sought for the year 2002.

So I believe those who are concerned about what we ought to spend in the year 2002 should be rather comfortable that when you have this, plus what is in the President's budget, you have a very substantial increase for the year 2002.

I want to make a few assumptions that I don't need anybody to concur on, but I want to make sure the RECORD reflects what I assume.

First, this amendment assumes all the increases in President Bush's plans for pay raises for military personnel—I do not believe there is any disagreement over that—for retention, for housing, for TRICARE, and research and development.

I would also assume that it includes $3.1 billion more for the Defense Health Program. I am not asking does the distinguished Senator agree, but I am suggesting those who support that program expect $3.1 billion out of that $23.5 billion we are speaking of which is added for defense this year. In addition, it will restore the TRICARE costs and all direct care in military treatment facilities.

That is going to be tough. But remember, we voted for it. We voted for it. Now we cannot say we are not going to fund it.

The Defense Health Program has been experiencing annual shortfalls, and this has been occurring recently because the budget requests—I am not speaking of this budget but the budget requests from the administration—have underestimated inflationary costs for health care each and every year when they send the allowance up here for health care programs.

This year Defense Health Program officials have been instructed to use an inflation rate of 4.2, I say to my friend. But this year the Health Care Financing Administration estimates that inflation will be 7 percent, I say to all those interested in our defense. And that can be covered if we are careful in terms of what we use this increase for.

There is going to be a shortfall in the Defense Health Program, and we all know that. I think it is a matter of making sure, with the give-and-take with the administration, we do right by it. Yes, it is a $3.1 billion shortfall. That means we underestimated what they need.

The Surgeons General of the military services have told Congress that they will have to furlough healthcare personnel, close pharmacies, and refuse service at military treatment facilities if additional funding is not found for 2001 very soon. If we do not fully fund the program for 2002, we will have the same problem again next year. This is not acceptable. Does any Senator know of a worse way to address moral and retention?

There is another important element of this amendment. It also restores cuts in the defense activities of the Department of Energy. The proposal fully funds DOE's Stockpile Stewardship Program and its nonproliferation activities. It adds $800 million for the Stockpile Stewardship Program and $100 million for nonproliferation.

Frankly, I do not expect my friend to agree this money is going to be used for that. But I want everybody to know I am going to work hard so it will be. Because one of the things that the defense establishment forgets about every year is that they have a little buddy over there called ''nuclear weapons,'' you see. They pay for all the rest of defense when they start allocating, but when they start having to give up defense money to the Department of Energy to do stockpile stewardship, which I say to my friend from Virginia is a fancy name for making sure we maintain healthy nuclear weapons—the totality of it to be safe and ready—they do not put enough money in it because it seems that it is not defense money.

But I am here to tell you, we are not going to be doing that in the future because this Senator is going to be here saying the nuclear arsenal is part of the defense of our Nation. It is underfunded. Its buildings are falling down.

I say to my good friend, while you never get to appropriate for it, you take a trip up there to the State where they have this Y–12 in the State of Tennessee.

Do you know what is happening up there, Mr. Chairman? There is a great big building that is part of the work being done on three of our nuclear weapons. And the roof is falling in on top of the heads of the workers. They all wear hardhats, even though it is not a hardhat environment. So we have to start by building that building, you see. And then there are a lot of others. We are asking, and so is the general in charge of nuclear weapons asking, that we fund that.

I am willing to add some more money later if somebody wants to argue about it, but I just want to make sure everybody knows I am voting for additional

money because I do not think the President funded adequately what I am telling you about. I do not think his budget funds them adequately.

They are going to get funded adequately this year because the Senate is going to understand the precarious nature of not doing it. It might be one of the few times the Senator from New Mexico would ask for a closed session, which I have never done on an issue. But I am very worried about the condition of the science-based stockpile stewardship.

Let me close. If any of you do not understand that, it just means we are no longer doing underground testing, I say to my friends. We are no longer doing that because it is the policy of America.

Underground testing was how we proved the efficacy of nuclear weapons—their health, their effectiveness, their wellness. Now we do not do that anymore. So how in the world would you think we would be sure that some of our 20-, 30-, and 35-year-old weapons are safe and have a well-being about them? We start a science program. We are going to do it through science without underground testing.

That isn't something you get on the cheap. That is one of the most expensive science programs ever invented by man, to prove, without testing, that a nuclear weapons arsenal is safe. And it is very important for America.

So I am voting for the Senator's amendment tonight because I think we need to add some money to defense this year. I do not think we have to dream about missile systems. I think we have to take care of and create a robust, high-morale establishment that maintains and perfects our nuclear weapons.

I never get a chance to tell Senators about this. That is why I asked them to give me 10 minutes because I didn't want to take it away from you. I can't find a better time to discuss it than here tonight when we speak of this very large add-on to the Defense Department. I hope I wasn't too technical. I hope everybody understands a little better what the nuclear weapons issue is all about.

I reserve whatever time we have.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I understand that I have approximately 5 or 6 minutes to close this argument.

First, I thank the Senators from Rhode Island, Connecticut, and Missouri for lending their voice to this important amendment and to this important debate. I also acknowledge the great respect I have for the chairman of the Budget Committee, the Senator from New Mexico, who has just spoken passionately about an issue he has spent a great deal of time and energy working on for many years. He has called us to task many times to try to deal with an issue that is sometimes technical and difficult to explain but nonetheless an obligation this Nation has to protect our children and our grandchildren.

He was speaking so beautifully in the 10 minutes given to him, it could have been allocated to our time, because he made so many of the arguments more eloquently than I can about the fact that this underlying budget does not have enough money or resources to do the things we know we need to do now. He has really helped make the argument of why the Landrieu-Carnahan amendment is so important.

Point No. 2, regarding the costs mentioned by our distinguished chairman for nuclear stockpile stewardship, for the health care shortfall, for TRICARE, for housing, I ask this question: Do these requirements cease after the year 2002? Do these expenses not continue to recur? It defies logic that we could provide for this funding for 1 year and then simply turn our backs and walk away. That is why a 1-year amendment, although it is helpful and I could probably vote for it because it is better than nothing, certainly falls short, terribly short, of what we need to do to make a long-term, 10-year commitment to the basics.

The third point: With all due respect to Senator WARNER, whom I admire so much, the distinguished Senator from Virginia submitted this letter, dated March 19, to Senator DOMENICI and Senator CONRAD signed by Senator LEVIN. He read the first two paragraphs. The most important paragraph is the fourth paragraph, which goes on to say, after saying we should consider the study:

> However, I believe there are certain requirements that must be addressed regardless of the outcome of the ongoing strategic review. Some increases above the projections contained in the President's budget outline of February 28 will be needed to continue the transformation of our military to meet the threats of the new century, to fulfill the commitments the Congress has made to improve quality health care to active and retired military families, and to continue the progress we have made in recent years to improve compensation, housing and other quality of life programs for our military families.

He goes on to say:

> I also recommend that the Budget Resolution provide a sufficient mandatory spending allocation for the Committee. . . .

Point No. 4. Please be clear. Our amendment does not try to prejudge the President. We are trying to prepare to implement the strategic study. We are not standing in the way of the study. We are laying the groundwork that we can walk on, that we can fight on, that we can defend. This is about laying down a priority in our budget for the next 10 years. Are we going to say yes to defense or no? Are we going to live up to our promises or turn our backs again? Are we going to provide help or say, as the Senator from Connecticut said, the check must have been lost in the mail?

I know the Senators from Virginia and New Mexico too well to think they would walk away from obligations we have already made. I know that is not their intention. So let us do what is right. Let us choose the right priority, take the right step, be fiscally responsible. We know this bill is coming due. The question is, Is there going to be any money in the bank to pay it? If we don't vote for my amendment, the bank will be empty. There is nothing you can tell them. We are sorry; we spent the money.

I am not going to do that. Because I am on the committee, because I live in the State of Louisiana, I know how important this is. I know we are not asking for too much: $10 billion a year for 10 years. It is a minimal requirement to lay the groundwork for this study.

I ask the Senate to take this amendment seriously. This is a very important vote. We need to say yes. We can say yes to next year, with Senator WARNER at $8.5 billion, and we can say yes the next year because the need for health care doesn't stop. People aren't going to move out of their homes on the bases. We are not going to end the distribution of spare parts. We are not going to run out of the need for ammunition. We need it in 2003 and 2004.

I say to the Senate, let us live up to our promises, let us make the right decisions, and let's vote for the Landrieu-Carnahan amendment.

Ms. COLLINS. Mr. President, I am pleased to join my distinguished chairman, Senator WARNER, in cosponsoring this amendment to increase the budget for defense by $8.5 billion in fiscal year 2002. This amendment would help address current readiness shortfalls that the Department of Defense faces today, even as the new administration continues its strategic review.

I am hopeful that this strategic review will not only examine these current readiness challenges, but also take a hard look at the current shipbuilding rate and our shrinking industrial base. The numbers are astonishing: the U.S. Navy has shrunk from a fleet of 594 ships in 1987 to 315 ships today, while, during the same period, deployments have increased more than 300 percent. Regional Commanders-in-Chief have repeatedly warned that the fleet is stretched perilously thin and needs to be increased to 360-ships to meet present mission requirements.

Numbers do matter; on a typical day about half the ships in the Navy are at sea, with one-third deployed in the Mediterranean, the Persian Gulf, and the Western Pacific, putting wear and tear on our ships and sailors. In addition to combat over the last 10 years, naval forces have conducted 19 noncombat evacuation operations, 4 maritime intercept operations with more than 5,000 boardings in support of United Nations sanctions or U.S. drug policy, 32 humanitarian assistance operations, and 20 shows of force to send powerful messages to friends and foes alike.

Even though our deployments are at an exceptionally high rate, the U.S. shipbuilding industry is at risk of deteriorating if the current inadequate build rate for the Navy continues. At the current low rate of production, the

cost for per ship will go up and the efficiency at the yard will go down.

The new administration and this Congress will be faced with the challenge of rebuilding and re-capitalizing the Nation's naval fleet. The numbers are just as clear as can be: At the present rate of investment our Navy is heading toward a 220-ship fleet, which is alarmingly inadequate.

A few other critical areas that have seemed to get little attention in a budget constrained environment are research and development and training. Steps need to be taken today to attract and retain a highly-skilled workforce necessary to build the complex warships required for our U.S. naval ships to operate against the emerging and traditional threats in the 21st century. Regardless of the result of the strategic review, forward deployed combat power will not only be required, but will continue to be a key element to our strategic posture.

I am standing here before you to support Senator WARNER's amendment and to highlight that the readiness issues facing our Nation's defense are only the tip of the iceberg in terms of the defense challenges facing the new administration and this Congress. Today's shipbuilding account is woefully under-funded and does not provide the financial support necessary to maintain a viable industrial base. We, as the legislative body, need to take aggressive steps to ensure that our armed forces are equipped with the most capable and advanced ships in the world to defend our Nation's interests.

Mr. MCCAIN. Mr. President, I intend to vote for the amendment by Senators LANDRIEU, CARNAHAN, CONRAD, LIEBERMAN, REED and LEVIN because I believe that providing for a strong national defense is our most serious obligation.

Two years ago, President Clinton sent a letter to Secretary of Defense Bill Cohen that stated: ''Although we have done much to support readiness, more needs to be done.'' President Clinton made this statement in response to a briefing he had attended with Secretary Cohen, the Joint Chiefs of Staff and Commanders-in-Chief of the military combat commands.

I applauded President Clinton then for his reversal of 6 previous years of vastly underfunded defense budgets and for the reversal of the Service Chiefs in 1998, who confirmed many of the alarming readiness problems that had been identified in countless sources.

The imperative for increasing military readiness and reforming our military is as strong today, as it was two years ago. Anyone who dismisses our serious readiness problems, our concerns with morale and personnel retention, and our deficiencies in everything from spare parts to training is either willfully uniformed or untruthful.

What concerns me the most is that the highly skilled service men and women who have made our military the best fighting force the world has ever seen are leaving in droves, unlikely to be replaced in the near future. Their reason is obvious; they are overworked, underpaid, and away from home more and more often. Failure to fully and quickly address this facet of our readiness problem will be more damaging to both the near and long-term health of our all-volunteer force than we can imagine.

The cure for our defense decline will neither be quick nor cheap. The proper solution should not only shore up the Services' immediate needs, but should also address the modernization and personnel problems caused by years of chronic under funding. The solution will be found by using a comprehensive approach in which the President, civilian and uniformed military leadership, as well as Congress, will be required to make tough choices and even tougher commitments.

I further hope that we do not fall into the trap of comparing defense expenditures of the U.S. versus potential threat countries, because dollar to dollar comparisons are meaningless. Only the U.S. has the global responsibilities that come with being the lone superpower. Our foes can employ asymmetric forces against our weaknesses and achieve a disproportionate level of success.

I was concerned that recently, the USS *Kitty Hawk* battle group, stationed in Japan, reported less-than-favorable readiness numbers, short some 1,000 sailors, at the same time that tensions have increased in the South China Sea.

I hope we do not focus solely on the readiness of front-line forces, because the Army divisions that have good readiness numbers are being supported by units that have less-impressive ratings. We need a comprehensive remedy, not a shotgun approach. These support forces, some of them reserve component forces, have become the backbone of our fighting forces and need the most attention.

This degradation of the ''tail'' that trains and supports the ''teeth'' of the U.S. military must be reversed. We have the world's finest military, but that is principally because the people in the military, primarily the young enlisted, our NCOs, petty officers, chiefs, Gunnies, and sergeants, continue to do more with less. Our ability to field credible front-line forces is due to the efforts of our service members, as we live off of the deteriorating remnants of the Reagan buildup. That is difficult to admit, until you review the list of aircraft, ships, artillery, and tanks in our current weapons inventory.

The administration must take several steps: propose realistic budget requests; specifically budget for ongoing contingency operations; provide adequately for modernization; ensure equipment maintenance is adequately funded; resolve the wide pay and benefits disparity that precludes the Services from competing successfully for volunteers with the private sector; and demonstrate strong support for additional base closure rounds.

Mr. THURMOND. Mr. President, as the Senate debates President Bush's first budget proposal, I want to join my colleagues in congratulating the President on his commitment to revitalize our Nation's economy and national security. The President's budget proposal is fiscally responsible and represents a prudent first step as he organizes his administration and focuses on the issues facing both the Nation and the World. I especially want to recognize the President's challenge to Secretary of Defense Rumsfeld to conduct a strategic review of our national security requirements. This review is long overdue and I anticipate it will bring about significant changes to our national security strategy and our military services.

I have been privileged to be a member of the Senate Armed Services Committee since 1959. During this period I have been a witness to both the greatness and tragedy of military service. After the tragic conflict in Vietnam, we saw a sharp decline in the readiness and morale of our armed forces. The Reagan era brought about a revitalization in our armed forces that culminated in the end of the Cold War and the great victory in the desert of Iraq. Now again, our military is showing its age and neglect. Our soldiers, sailors, airmen and Marines are still the best, but the equipment and facilities are wearing out because of under funding and overuse.

In a recent interview on the state of our Armed Forces, the Chairman of the Joint Chiefs of Staff, General Shelton, stated: ''If we go back 15 to 16 years, America was spending roughly 6.5 percent of our gross domestic product on defense. Today we spend right at 3 percent. Put another way, if we were spending the same percent of our national wealth, our GDP, on the armed forces today that we were spending in 1985, the defense budget would be double what it is today. The Army in 1989 had 18 divisions. Today it's down to 10. The Air Force had 36 fighter wings. Today it has 20. The Navy had just short of 600 ships. Today it's got just over 300 ships. We have taken 700,000 out of the active force. That is greater than the armed forces of the UK, Germany, the Danes and the Dutch put together. So we have restructured, and we have downsized. As an example, our Army is right now the seventh-largest in the world.''

General Shelton's comments show that we have adjusted to the new world, although in my judgement we have gone too far both in terms of force structure and funding. I am especially concerned over the shortfall in funding over the past ten years. We have frequently heard about the aging equipment and lack of spare parts. I would like to focus on our aging military facilities. According to the GAO, in 1992 the military had accumulated an estimated $8.9 billion in deferred facility

maintenance. By 1998, that had grown to $14.6 billion. The backlog now exceeds $16 billion and it is still growing. If we do not reverse this trend, our military installations will continue to deteriorate and quality of life and readiness will continue to decline.

President Bush has proposed a $14.2 billion increase over last year's defense budget. Although this is significant, it will not provide the necessary resources to fix the immediate readiness shortfall identified to the Armed Services Committee by the military services. Chairman Warner's amendment to increase the defense budget by another $8.5 billion is a modest increase to fund critical manpower and readiness issues. In my judgement, it is a down payment to the increase that the President will seek after Secretary Rumsfeld completes his strategic review. I urge my colleagues to support the amendment and prove our support to the men and women who wear the uniforms of our military services.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from New Mexico has 8 minutes.

Mr. DOMENICI. Mr. President, I yield 5 minutes to the Senator from Virginia.

Mr. WARNER. Mr. President, I say to my distinguished colleague, when I addressed the letter from Senator LEVIN, I put it in its entirety into the RECORD. I didn't in any way try to deceive the Senate as to his feelings about a different approach than my distinguished colleague from Louisiana, his approach being that we should begin to plan for the outyears, but it wasn't sort of a mandatory $10 billion for the outyears. It was more in the nature of some sort of a reserve fund.

The key to it is, who is going to run defense? The Constitution of the United States says very clearly that the President is the Commander in Chief. It is the function of the executive branch to make the determination with regard to the needs and the requirements of our Armed Forces. As Senator LEVIN said very explicitly, he supports the reviews, and he says in absolutely clear language: And Congress, before we make our final decisions on the shape and overall funding levels for our future, let's hear from the President.

That is consistent with the Constitution. That is the way we have done business. I think that is the way we should continue to do business. It may well be in the year 2003 we need additional funding over and above the 10, but the subsequent fiscal years may require less funding.

I say with all due respect to my colleague, let us follow the constitutional mandate: The Commander in Chief, the President, proposes; Congress disposes. Someone far brighter than I in the history of this venerable institution, the Congress of the United States, made that statement. And it has been with us for these years.

Let our President propose, as he is entrusted to do under the Constitution, and then each year we will go through the normal cycles that we do year after year.

What is here is a means by which to reduce the President's tax bill. I respect the difference of opinion on this side of the aisle where I find myself very comfortably ensconced for the remainder of this debate. We should respect your views. But if you are going to do it, let's knock out all the business about defense and say you want to knock down the tax bill by $100 billion, and put the issue straight before the Senate. But as it relates to defense, I don't think we want to start a radical departure. I have been associated with defense for a number of years, starting in the Navy Secretariat in 1969, and now 23 years here. I have never seen the Congress allocate specific sums of increases without the budget request from the President of the United States, which has to be justified. You are speculating—and it may be correct—that we will need increases for one or more fiscal years. But I don't think it is our responsibility now to subvert the Constitution, which says the President is the Commander in Chief. The President will propose and, in due course, the Congress will dispose.

With all due respect to my colleague, I certainly support the basic thrust of 2002. Our bills parallel in many respects. Mine takes care of 2002, lets the President finish his studies, and lets Congress analyze them and then makes the decision.

Ms. LANDRIEU. My colleague from Virginia knows how much I respect him for his leadership on this subject and how difficult I know this debate is for him because he has been a champion of defense spending and strengthening our defenses and actually appropriating money in very wise ways, as we say about boosting the morale.

But I have to go back to this letter. I most certainly know we have both turned it in for the RECORD. I think it is important because Senator LEVIN is on his way to this debate—since this letter is written by him—to make sure the Members understand the context of this letter. If it is read in its entirety, which I tried to do—not just reading the paragraph to which you referred but the next paragraph—it is clear that Senator LEVIN says that, while we do need to support the study, we must set aside now the resources necessary to fund the outcome of the study.

I know the Senator from Virginia is familiar with the Congressional Budget Office study. I know he is familiar with ''Defending America, The Plan to Meet Our Missile Defense''—the numerous studies that have been done. Not one study indicates that we will be spending less money, but all suggest that we will be spending more, but differently.

So again, I will conclude because I think my time is up. We are going to have a bill coming due. The question is, Is there money in the bank to pay it? Please vote for the Landrieu-Carnahan amendment so we have money to pay these bills when they come due and live up to our promises to our men and women in uniform. I yield back my time.

Mr. WARNER. Mr. President, I simply say to my colleague, we have had a good debate. We have framed the issue very clearly. My posture is we should proceed to let the Commander in Chief conduct his studies. There is nothing in this debate to refute Mr. LEVIN. He said, ''. . .before we make final decisions on the shape and overall funding levels for our future defense programs,'' we should have those studies. I am saying that we are encroaching on what my distinguished ranking member said in clear English language. I say that with respect to the Senator. I yield back any time I have.

Mr. DOMENICI. I yield back any time I have.

The PRESIDING OFFICER. The question is on agreeing to the Landrieu amendment.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from California (Mrs. BOXER) is necessarily absent.

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

The result was announced—yeas 47, nays 52, as follows:

[Rollcall Vote No. 71 Leg.]

YEAS—47

Akaka	Dodd	Levin
Baucus	Dorgan	Lieberman
Bayh	Durbin	Lincoln
Biden	Edwards	McCain
Bingaman	Feingold	Mikulski
Breaux	Feinstein	Murray
Byrd	Graham	Nelson (FL)
Cantwell	Harkin	Nelson (NE)
Carnahan	Hollings	Reed
Carper	Inouye	Reid
Cleland	Johnson	Rockefeller
Clinton	Kennedy	Sarbanes
Conrad	Kerry	Schumer
Corzine	Kohl	Stabenow
Daschle	Landrieu	Wellstone
Dayton	Leahy	

NAYS—52

Allard	Frist	Roberts
Allen	Gramm	Santorum
Bennett	Grassley	Sessions
Bond	Gregg	Shelby
Brownback	Hagel	Smith (NH)
Bunning	Hatch	Smith (OR)
Burns	Helms	Snowe
Campbell	Hutchinson	Specter
Chafee	Hutchison	Stevens
Cochran	Inhofe	Thomas
Collins	Jeffords	Thompson
Craig	Kyl	Thurmond
Crapo	Lott	Torricelli
DeWine	Lugar	Voinovich
Domenici	McConnell	Warner
Ensign	Miller	Wyden
Enzi	Murkowski	
Fitzgerald	Nickles	

NOT VOTING—1

Boxer

The amendment (No. 188) was rejected.

Mr. DOMENICI. I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

VOTE ON AMENDMENT NO. 189

Mr. DOMENICI. I ask for the yeas and nays on the pending amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second. The question is on agreeing to amendment No. 189. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 84, nays 16, as follows:

[Rollcall Vote No. 72 Leg.]

YEAS—84

Akaka	DeWine	Lieberman
Allard	Dodd	Lott
Allen	Domenici	Lugar
Baucus	Dorgan	McCain
Bayh	Edwards	McConnell
Bennett	Ensign	Mikulski
Biden	Enzi	Miller
Bingaman	Feinstein	Murkowski
Bond	Fitzgerald	Nelson (FL)
Breaux	Frist	Nelson (NE)
Brownback	Graham	Nickles
Bunning	Grassley	Reid
Burns	Hagel	Roberts
Byrd	Hatch	Rockefeller
Campbell	Helms	Santorum
Cantwell	Hollings	Sarbanes
Carnahan	Hutchinson	Sessions
Carper	Hutchison	Shelby
Chafee	Inhofe	Smith (NH)
Cleland	Inouye	Smith (OR)
Clinton	Jeffords	Snowe
Cochran	Johnson	Specter
Collins	Kerry	Stevens
Conrad	Kohl	Thomas
Craig	Kyl	Thompson
Crapo	Landrieu	Thurmond
Daschle	Leahy	Voinovich
Dayton	Levin	Warner

NAYS—16

Boxer	Harkin	Stabenow
Corzine	Kennedy	Torricelli
Durbin	Lincoln	Wellstone
Feingold	Murray	Wyden
Gramm	Reed	
Gregg	Schumer	

The amendment (No. 189) was agreed to.

Mr. DOMENICI. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I understand this consent agreement has been cleared on both sides.

I ask unanimous consent that Senator COLLINS now be recognized to offer her amendment and, following the reporting by the clerk, the amendment be laid aside and Senator CONRAD or his designee be recognized to offer an amendment relative to home health care.

I further ask consent that the debate run concurrently on both first-degree amendments and be limited to 60 minutes equally divided, and following that time the amendments be laid aside.

I further ask consent that no amendments be in order prior to the votes just described, and the votes occur in a stacked sequence, first in relation to the Conrad amendment, and then in relation to the Collins amendment, beginning at 9:30, with 10 minutes for closing remarks equally divided prior to the 9:30 stacked votes.

I also ask consent that following those votes, Senator CONRAD be recognized to offer an amendment relative to deficit reduction, as under the previous order.

The PRESIDING OFFICER. Is there objection?

Mr. CONRAD. Reserving the right to object.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota.

Mr. CONRAD. And I will not object. This is in accordance with what we discussed?

Mr. DOMENICI. Yes. Has the Chair ruled?

The PRESIDING OFFICER (Mr. ENSIGN). Without objection, it is so ordered.

Mr. DOMENICI. In light of this agreement, there will be no further votes tonight. The next votes will occur in stacked sequence at 9:30 a.m. tomorrow.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maine is recognized.

AMENDMENT NO. 190

Ms. COLLINS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Ms. COLLINS], for herself, Mr. BOND, Ms. MIKULSKI, Mr. ROBERTS, Mr. COCHRAN, Mr. SMITH of Oregon, Ms. SNOWE, Mr. ENZI, Mr. HUTCHINSON, and Mr. SANTORUM, proposes an amendment numbered 190.

Ms. COLLINS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To establish a reserve fund to eliminate further cuts in medicare payments to home health agencies)

At the end of title II, insert the following:

SEC. ___. RESERVE FUND FOR MEDICARE PAYMENTS TO HOME HEALTH AGENCIES.

If the Senate Committee on Finance or the House Committee on Ways and Means or Commerce reports a bill, or if an amendment thereto is offered or a conference report thereon is submitted, that repeals the 15 percent reduction in payments under the medicare program to home health agencies enacted by the Balanced Budget Act of 1997 and now scheduled to go into effect on October 1, 2002, the chairman of the Committee on the Budget of the House or Senate may increase the allocation of new budget authority and outlays to that committee and other appropriate budgetary aggregates and levels by the amount needed, but not to exceed $0 in new budget authority and outlays in 2002, $4,000,000,000 for the period 2002 through 2006, and $13,700,000,000 for the period 2002 through 2011, subject to the condition that such legislation will not, when taken together with all other previously-enacted legislation, reduce the on-budget surplus below the level of the –Medicare Hospital Insurance Trust Fund surplus in any fiscal year covered by this resolution.

The PRESIDING OFFICER. Under the previous order, the amendment is laid aside. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, Senator STABENOW is my designee on this amendment. She has the amendment to send to the desk. I yield to Senator STABENOW.

AMENDMENT NO. 191

Ms. STABENOW. Mr. President, I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows.

The Senator from Michigan [Ms. STABENOW], for herself and Mr. JOHNSON, proposes an amendment numbered 191.

Ms. STABENOW. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To eliminate further cuts in Medicare payments to home health agencies)

On page 2, line 18, increase the amount by $700,000,000.

On page 3, line 1, increase the amount by $1,000,000,000.

On page 3, line 2, increase the amount by $1,100,000,000.

On page 3, line 3, increase the amount by $1,300,000,000.

On page 3, line 4, increase the amount by $1,500,000,000.

On page 3, line 5, increase the amount by $1,700,000,000.

On page 3, line 6, increase the amount by $1,900,000,000.

On page 3, line 7, increase the amount by $2,100,000,000.

On page 3, line 8, increase the amount by $2,400,000,000.

On page 3, line 14, decrease the amount by $700,000,000.

On page 3, line 15, decrease the amount by $1,000,000,000.

On page 3, line 16, decrease the amount by $1,100,000,000.

On page 3, line 17, decrease the amount by $1,300,000,000.

On page 3, line 18, decrease the amount by $1,500,000,000.

On page 3, line 19, decrease the amount by $1,700,000,000.

On page 3, line 20, decrease the amount by $1,900,000,000.

On page 3, line 21, decrease the amount by $2,100,000,000.

On page 3, line 22, decrease the amount by $2,400,000,000.

On page 4, line 3, increase the amount by $700,000,000.

On page 4, line 4, increase the amount by $1,000,000,000.

On page 4, line 5, increase the amount by $1,100,000,000.

On page 4, line 6, increase the amount by $1,300,000,000.

On page 4, line 7, increase the amount by $1,500,000,000.

On page 4, line 8, increase the amount by $1,700,000,000.
On page 4, line 9, increase the amount by $1,900,000,000.
On page 4, line 10, increase the amount by $2,100,000,000.
On page 4, line 11, increase the amount by $2,400,000,000.
On page 4, line 17, increase the amount by $700,000,000.
On page 4, line 18, increase the amount by $1,000,000,000.
On page 4, line 19, increase the amount by $1,100,000,000.
On page 4, line 20, increase the amount by $1,300,000,000.
On page 4, line 21, increase the amount by $1,500,000,000.
On page 4, line 22, increase the amount by $1,700,000,000.
On page 4, line 23, increase the amount by $1,900,000,000.
On page 5, line 1, increase the amount by $2,100,000,000.
On page 5, line 2, increase the amount by $2,400,000,000.
On page 30, line 23, increase the amount by $700,000,000.
On page 30, line 24, increase the amount by $700,000,000.
On page 31, line 2, increase the amount by $1,000,000,000.
On page 31, line 3, increase the amount by $1,000,000,000.
On page 31, line 6, increase the amount by $1,100,000,000.
On page 31, line 7, increase the amount by $1,100,000,000.
On page 31, line 10, increase the amount by $1,300,000,000.
On page 31, line 10, increase the amount by $1,300,000,000.
On page 31, line 14, increase the amount by $1,500,000,000.
On page 31, line 15, increase the amount by $1,500,000,000.
On page 31, line 18, increase the amount by $1,700,000,000.
On page 31, line 19, increase the amount by $1,700,000,000.
On page 31, line 22, increase the amount by $1,900,000,000.
On page 31, line 23, increase the amount by $1,900,000,000.
On page 32, line 2, increase the amount by $2,100,000,000.
On page 32, line 3, increase the amount by $2,100,000,000.
On page 32, line 6, increase the amount by $2,400,000,000.
On page 32, line 7, increase the amount by $2,400,000,000.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, I am pleased to join with several of my colleagues, including Senators BOND, HUTCHINSON, MIKULSKI, ENSIGN, SNOWE, COCHRAN, GORDON SMITH, and SANTORUM, in introducing this amendment to eliminate the automatic 15-percent reduction in Medicare payments to home health agencies now scheduled to take effect on October 1 of next year.

Our amendment will create a reserve fund of $13.7 billion that can be used solely to eliminate the 15-percent reduction in payments to home health agencies now scheduled to go into effect on October 1, 2002. Our amendment contains a safety mechanism that protects the Medicare HI trust fund for each year covered by the budget resolution. In other words—I want this to be clear—the Medicare trust fund will not be used to pay for the elimination of the scheduled reduction in home health payments.

Health care has gone full circle. Patients are spending less time in the hospital, more and more procedures are being done on an outpatient basis, and recovery and care for patients with chronic diseases and conditions have increasingly been taking place in the home. Moreover, the number of older Americans who are chronically ill or disabled in some way continues to grow with each passing year as our population grows older.

As a consequence, home health care has become an increasingly important part of our health care system. The kinds of highly skilled and often technically complex services that our Nation's home health nurses provide have enabled millions of our most frail and vulnerable elderly individuals to avoid hospitals and nursing homes and stay just where they want to be—in the comfort, security, and privacy of their own homes.

The rapid growth in home health spending, from 1990 to 1997, understandably prompted the Congress and the Clinton administration, as part of the Balanced Budget Act of 1997, to initiate changes that were intended to slow the growth in spending and make this important program more cost effective and efficient. Unfortunately, these measures have produced cuts in home health spending far beyond what Congress ever intended.

According to estimates by the Congressional Budget Office, home health spending dropped to $9.2 billion in the year 2000, just about half the amount we were spending in 1997. This is at a time when demand and the need for home health services have only increased. On the horizon and very troubling is an additional 15-percent cut that would put our already struggling home health agencies at risk and would seriously jeopardize access to critical home health services for millions of our Nation's seniors.

The Medicare home health benefit has already been cut far more deeply and abruptly than any other benefit in the history of the Medicare program. It is now abundantly clear that the savings goals set for home health in the Balanced Budget Act of 1997 have not only been met but far surpassed. The most recent CBO projections show that the post-Balanced Budget Act reductions in home health services will amount to about $69 billion between fiscal years 1998 and 2002. This is more than four times the $16 billion that the CBO originally estimated for that time period and is a clear indication that the Medicare home health cutbacks have been far too deep.

Moreover, the financial problems home health agencies have been experiencing have been exacerbated by a host of ill-conceived regulatory requirements imposed by the Clinton administration. As a consequence of these burdensome and costly regulations, as well as the reductions in reimbursements, approximately 3,300 home health agencies have either closed their doors or stopped serving Medicare patients.

Moreover, the Health Care Financing Administration estimates that 900,000 fewer home health patients received services in 1999 than in 1997. That is 900,000 frail, elderly, ill individuals who have lost their access to home health services.

This startling statistic points to the central and most critical issue: Cuts of this magnitude simply cannot be sustained without ultimately harming patient care.

The impact of these cutbacks has been particularly devastating in my home State of Maine. The number of Medicare home health patients in Maine dropped by 23 percent in just 2 years' time. That translates into more than 11,000 home health patients no longer receiving services. There was also a 40-percent drop in the number of home health visits in Maine and a 31-percent cut in Medicare payments to home health agencies in the State.

Keep in mind, Maine's home health agencies were already very prudent in their use of resources. They were low-cost agencies in the beginning. They simply had no cushion to absorb this cut. Indeed, these cutbacks cut to the bone and are harming care in the State of Maine.

Last year I had the opportunity to meet and visit with a number of home health patients and nurses throughout my State. I heard heartbreaking stories about the impact of Medicare cutbacks and how regulatory restrictions have affected both the quality and the availability of home health care services, jeopardizing the health and well-being of numerous senior citizens. For example, a nurse told me of the tragic story of one of her patients, an elderly Maine woman who suffered from advanced Alzheimer's disease, pneumonia, and hypertension, among other illnesses. This patient was bedbound, verbally nonresponsive, and had a series of other troubling health problems, including infections and weight loss. This woman had been receiving home health services for approximately 2 years. During that time, due to the care of the skilled and compassionate home health nurse, her condition had stabilized.

Unfortunately, the care provided to this patient had to end when the home health agency received a Federal notice indicating that this poor woman no longer qualified for home health care.

Mr. President, less than 3 months later this woman died as a result of a wound from an untreated infection in her foot. One cannot help but speculate that this tragedy might well have been prevented had this woman continued to receive home health care.

This is only one of the heart-wrenching stories that I have heard from both patients and dedicated home health

nurses throughout the State of Maine. I am, therefore, extremely concerned that there is yet another cut in home health care looming on the horizon, that an additional automatic 15-percent cut is scheduled to go into effect on October 1 of next year. This cut would sound the death knell for many of our already struggling home health agencies, and it would further jeopardize access to critical home health services for millions of our Nation's seniors.

Since we have already surpassed the savings target set by the Balanced Budget Act of 1997, further cuts simply are not necessary.

Mr. President, the fact that Congress has delayed the automatic 15-percent cutback for 3 straight years demonstrates that the cut is not justified, it is not warranted. To simply keep delaying this cut 1 year at a time, year after year, is to leave a ''sword of Damocles'' hanging over the heads of these home health agencies. It makes it impossible for them to plan how they are going to serve their patients. It causes them to turn down patients who are complicated and costly to serve because they can't count on the reimbursement. This further cut is not needed, and it should be eliminated altogether once and for all.

Mr. President, the amendment we are introducing today will enable us to eliminate this cut once and for all. It will provide a needed measure of relief and certainty for cost-effective home health care providers across this country that are experiencing serious financial difficulties that are inhibiting their ability to deliver much needed care, particularly to those chronically ill elderly with complex care needs.

I urge all of my colleagues to support my amendment. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Ms. STABENOW. Mr. President, I rise to commend my colleague from Maine for her comments. I could not agree more about the importance of home health care for families all across America. We all know there are more and more people who desire to live at home, and they can because of modern medicine. There are more and more of us as baby boomers, and others, who have parents or grandparents we wish to help care for in our own homes or in their homes. Home health care is a critical part of the network of health care for our citizens.

I could not agree more that we need to make sure the next cut—this 15-percent cut that has been delayed three times by the Congress—does not actually take effect in October of 2002.

My problem with the amendment spoken to is it does not guarantee that cut will not take place. In fact, the amendment I am offering would guarantee—no ifs, ands, or buts about it—that this cut would not take effect. When I look at my colleague's amendment, first of all, it says if there is a repeal of the 15-percent reduction, the House and Senate Budget Committees ''may'' increase the allocation of new budget authority—not that they ''shall'' or that they ''have to'' but they ''may.'' I believe we have to say that they ''must.''

Secondly, unfortunately, the way this is put together, it creates a shell game once again. While appearing to protect the Medicare trust fund and saying that these dollars do not come out of the Medicare trust fund, they, in fact, set up a scenario that does, in fact, guarantee, I believe, that the $13.7 billion will not be available because with all of the things being talked about, with all of the on-budget surplus being used for the tax cut being talked about, with the efforts going on here, and what will be happening with all the other priorities, it will be impossible to keep this commitment; in fact, we will see that cut happen—at least there is no guarantee under this amendment that that horrendous 15-percent cut will not happen.

Mr. President, the amendment I have offered is for the same amount of dollars, $13.7 billion. But instead of having the ifs, ands, maybes, and the mays, what we say is that these dollars are taken off of the top—a small amount of money—of the tax cut and shall be guaranteed and put aside for home health care to guarantee that this 15-percent cut will not take place.

This is a very small amount of dollars. I know people in my State—the people who want us to put forward a balanced approach, who support a tax cut and also want to make sure we are continuing to pay down the debt—also are very concerned about putting aside a small amount of dollars to make sure that our seniors can live at home in dignity; that families can care for loved ones and have the opportunity to have valuable home health care services available to them.

As my colleague from Maine indicated, when the Balanced Budget Act was put into place, it was anticipated that the Medicare home health cuts would be $16 billion, and we find just a few years later that it is estimated to be four times that amount. We did not realize that when the BBA was passed. I argue that it was a case of unintended consequences, and that we have recognized that by delaying the 15-percent cut three different times, because we know they are excessive, that there is something wrong when there has been a 24-percent drop in the number of patients served by home health agencies.

When we see a 30-percent reduction in the number of agencies serving Medicare patients nationwide—30 percent—we are talking about almost a third of a cut in those serving Medicare patients in home health care across this country, while the demand is going up. The citizens of our country are getting older and living longer, and we all celebrate that we are living longer. Unfortunately, with that comes a greater and greater demand with home health care services.

So I agree with my colleague that, in fact, we need to be serious about this. We can all talk about men and women and children and folks of all parts of this country who have been and are today in situations where they are in desperate need of home health care. We can also talk about how it saves dollars—that through home health care we are saving dollars in nursing homes and other institutional care. It means dollars and cents, and it makes sense from a quality of life standpoint.

I strongly agree that we need to protect these dollars and guarantee that this cut does not take effect. Again, my concern is that the amendment of my friend from Maine, unfortunately, does not guarantee that this cut will not take effect. We can do that. We can, in this process, say that we are going to, regardless of the other priorities, regardless of what else is passed, put aside this small amount of dollars to protect the home health agencies and the people they serve all across this country. That is what this is about.

I urge my colleagues to reject the Collins amendment and to support the Stabenow amendment, which is a guarantee that, in fact, we will be able to protect home health services for our citizens. I can't think of an issue that touches so many homes and families more than this one—families who are hoping that they have the opportunity and the resources to care for loved ones at home or for people who wish to live in dignity in their own home.

Again, I commend my colleague on the other side of the aisle for her comments about the importance of home health care. I could not agree more. I believe very strongly that we need to take as firm a position as we can, and the amendment that I offer does.

The amendment I offered is an absolute guarantee that our home health agencies and the people they serve will not lose additional dollars and that those services will be protected.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Will the Senator yield me 2 minutes?

Ms. COLLINS. I yield as much time as the Senator wants.

Mr. DOMENICI. Mr. President, first, so there will be no confusion, the distinguished Senator from Maine, Ms. COLLINS, has an amendment that makes the money available when the committee of jurisdiction reports back that the repeal has been accomplished. It is a real amendment. It is precisely what would have to happen—and the Senator is saying that it should happen—in order to repeal that statute about which the Senator is talking.

I do not want anybody to think the Senator offered an amendment that does not accomplish her purpose. She has been talking about this problem for a long time.

If the Senator had offered an amendment that was not meaningful, that did

not get the job done, we would have already fixed the amendment. We would have looked at it first.

It is a real amendment. It is the real way to do it. I thank the Senator from Maine for her persistence and for the amendment which we will vote on tomorrow.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Maine has 22½ minutes remaining.

Ms. COLLINS. Mr. President, I neglected to mention Senator ROBERTS wants to be a cosponsor of the amendment as well. He is on the amendment I sent to the desk. I ask unanimous consent that Senator DOMENICI be added as a cosponsor as well.

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

Ms. COLLINS. Mr. President, Senator DOMENICI has been extremely helpful in drafting this amendment. I am grateful for his help. Senator ROBERTS has also been a real leader in this area.

I must say I am very disappointed to hear the comments of my friend and colleague from Michigan, Senator STABENOW. There is no one who has worked harder than I on home health care during the last few years. It was the legislation I introduced that was incorporated into the Medicare Refinement Act that we passed that restored some of the cuts to home health agencies.

I have been honored to work with the trade associations representing our Nation's home health agencies and have been very humbled and privileged to receive their awards as legislator of the year.

For my colleague to suggest that I am offering a sham or phony amendment and to somehow question my sincerity in trying to restore home health care is really most unfortunate and most disappointing.

This is, as the distinguished chairman of the Budget Committee said, a very real amendment. In fact, a reserve account is the fairest way to address this problem. We are still going to have to pass legislation, whether it is the amendment of the Senator from Michigan that is adopted or whether my version is adopted, to actually carry out the elimination of the 15-percent reduction. But my reserve fund amendment provides a mechanism to bring us closer to that goal by reserving those funds that we need, that $13.7 billion that is necessary.

As I said, I am very disappointed and think it is very unfortunate to have my efforts misrepresented. I have worked extremely hard on this issue. I have introduced legislation that has bipartisan support, that has more than 30 cosponsors expressing support for home health care.

I have visited elderly people in Maine who are receiving home health care, and I know how absolutely critical it is to them.

On my most recent home health visit, I accompanied a very dedicated, professional, and compassionate home health nurse to a town outside of Bangor. This woman was receiving home health care while living with her daughter. She had lung cancer. But home health care allowed her to spend her final months of her life in her daughter's home—not in a nursing home, not in a hospital, but surrounded by her loving family.

I do not want anything to jeopardize the ability of such a woman and so many other Maine citizens and citizens across this country to receive the home health care services they need.

I visited another couple in my hometown of Caribou. They were both in their mid-eighties. One was in a wheelchair. Each of them had very serious health problems. Home health care allowed this elderly couple to stay together in their own home where they had lived for more than 60 years rather than be separated and having one sent to a nursing home.

That is how important home health care is, and there is no one who is more committed than I to making sure we undo the damage that was inadvertently done by the Balanced Budget Act of 1997 and the very burdensome and onerous regulations imposed by the Clinton administration.

I urge my colleagues to support the amendment that I and many others have offered so that we can bring ourselves a step closer to making sure we eliminate once and for all this 15-percent ill-advised cut in Medicare home health care reimbursements.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. REID. Will the Senator from Michigan yield?

Ms. STABENOW. I will be happy to yield.

Mr. REID. The Senator from Maine wishes to offer a unanimous consent request.

Ms. COLLINS. I am sorry; I could not hear the Senator.

Mr. REID. It is my understanding the Senator wants to offer a unanimous consent request.

Ms. COLLINS. I believe the Senator from Nevada knew that before I did.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. I appreciate the Senator yielding.

Mr. President, I ask unanimous consent that the only first-degree amendments in order on Friday be those amendments submitted at the desk by 2 p.m. on Thursday, with the exception of an amendment to be offered by the minority leader and an amendment to be offered by the majority leader.

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

Mr. REID. Mr. President, I appreciate the courtesy of the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Mr. President, first, I in no way intended to express doubt about my colleague's sincerity on this issue. I, in fact, indicated in my comments that I appreciated her commitment and understand this is an issue with which she has been very involved and it certainly is an issue she cares deeply about and an amendment, I am sure, that is intended for all purposes to move in the right direction. I commend her for that.

I shared those same experiences when I was in the House of Representatives working with the home health groups and having the opportunity to be very involved as a House Member.

I very much appreciate the work of the Senator from Maine.

What I question is simply the language in the amendment and the mechanism being used. The practical reality is that if we adopt an amendment that indicates the dollars will be put aside but cannot be used if, in fact, the Medicare trust fund is dipped into, that is an impossible situation because the vast majority of the contingency fund is, in fact, the Medicare trust fund.

When we look at what the President has proposed to spend from the contingency fund, which is the Medicare trust fund predominantly, my fear is that we will find a situation where the Senator's well-intended amendment, if adopted, might be in a situation where it could not take effect without dipping into the Medicare trust fund.

This bars dipping into the Medicare trust fund, which I support. But by using this mechanism, it, in fact, may not provide the protection she desires.

My amendment simply takes the same amount of dollars, but by taking it off the top rather than through some language about the contingency fund and not using the Medicare trust fund, by simply taking it off the top, we guarantee that money can be put aside. We can call it a reserve fund. That makes a lot of sense.

Let us work together and call it a reserve fund and put it aside but not make it contingent upon all of the other decisions that will be made by the Budget Committee, the Finance Committee, and others, in ways in which this contingency fund will be structured. That is my concern.

I appreciate the fact there is a desire to keep intact the President's tax proposal. I appreciate that. I have a different view in terms of priorities, wanting to see the tax cut as part of the priorities and paying down the debt, and making sure we can carve out a small amount of the total for home health care. I would like to see it written in stone so it is not dependent upon other conditions.

The amendment says it would be subject to certain conditions, when taken together with all other previously enacted legislation. In total, if the amount involved would reduce the on-budget surplus below the level of the Medicare hospital insurance trust fund, then it would not happen.

The bottom line is, we see this Senate moving in the direction of ''combining'' when all is said and done because of the desire to move the Medicare trust fund into spending, which is the direction the Senate has been moving. The President has asked to move the Medicare trust fund into spending and because all kinds of things have been promised out of that Medicare trust fund and out of the contingency fund, unfortunately, this language does not guarantee we can protect home health care agencies from the 15-percent cut.

I will gladly work with my colleague to find a way to make sure we can guarantee this 15-percent cut will not take effect. I couldn't agree more. We see a 24-percent drop in the number of patients served by home health agencies. We are talking about real people, real people's lives, families who are struggling, people who need care. I couldn't agree more that we need to make a strong statement in support of those who use and need to use home health care services. My concern is, as with other amendments that relate to the whole question of the contingency fund, there is no guarantee that, in fact, this will be able to happen.

I welcome my colleague joining with me to make sure we put aside $13.7 billion and that we can work together to make sure that is truly available, regardless of what other decisions are made regarding the budget.

As I indicated, in this amendment, unfortunately, it is ''subject to the condition that such legislation will not, when taken together with all other previously enacted legislation'' dip into the Medicare trust fund.

I argue strongly that given that exception, in fact, the goal would not be met. I urge my colleagues to join with me in truly protecting home health care. I welcome the opportunity to work with my colleague to do that. I know we both share a strong commitment on this issue. I want to make sure, as I am sure she does, I want to make sure this language is the kind of language that will guarantee at the end of the day that this 15-percent cut does not take effect, no ifs, ands, or buts about it, that it does not take effect and our families will have the opportunity to use needed home health care services.

Ms. COLLINS. Mr. President, let's get this straight. Whether the amendment of the Senator from Michigan passes or whether my amendment passes, the Senate Finance Committee is still going to have to report legislation repealing the 15-percent cut. There is no absolute guarantee under either version.

The fact is, under the Collins amendment there is far more likelihood that we will see repeal of the 15-percent cut because I specifically set aside the $13.7 billion in a reserve fund that can only be used to restore the 15-percent cut to eliminate the cut.

By contrast, the amendment of my friend and colleague from Michigan just increases funding in the Medicare account, with no guarantee that the money goes for home health care. Instead, she takes money out of the tax cut.

The approach I have sets aside the $13.7 billion specifically for the purpose of eliminating the 15-percent cut. There is far more of a ''guarantee'' that we will repeal the 15-percent cut under the Collins amendment than under the amendment offered by the Senator from Michigan.

I think it is unfortunate the Senator from Michigan has not joined on to the Collins amendment. I am very pleased to say, and appreciative of the fact, she is a cosponsor of the legislation that I have introduced, which more than 30 Members have cosponsored, to eliminate the 15-percent cut. If we are talking about what version of the amendment is more likely to bring about the goal that we both share, it is clearly the version I have offered which says that the money can only be used for home health care and for eliminating the 15-percent cut.

I also find it ironic that the amendment is being criticized now for exempting and providing a mechanism of safeguard for the Medicare HI trust fund. That has been an issue that has been repeatedly raised by Members of the minority party, by Members of the Democratic Party, as a concern about these amendments. In an attempt to respond to that concern, I make sure we shield the Medicare trust fund so it could not be tapped for this purpose and that this would be new money. To now hear criticisms of the amendment because we put in those safeguards strikes me as puzzling, to say the least.

Again, my goal is to make sure every elderly American who needs home health care, who wants to receive services in the privacy, security, and comfort of their own homes is able to do so. Home health care has become so important and we must ensure that our frail, vulnerable elderly receive the services they need.

I yield the floor but reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Mr. President, I make it clear I agree with protecting the Medicare trust fund. That is very laudable. I wish we were totally protecting it from any areas of spending. My concern is simply that when we protect it, as this amendment does, it makes it impossible to find the $13.7 billion when you look at the conditions put in this amendment.

It is excellent to protect the Medicare trust fund, but the reality is the contingency fund that has been put forward by the President in this resolution uses the entire Medicare trust fund to fund it. It is really a Catch-22. That is my concern.

I certainly am hopeful we will be able to truly put aside the dollars and make sure that, regardless of what else happens in the process, we have dollars put aside to protect home health care.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Nevada.

Mr. REID. The Senator from Michigan has indicated she is willing to yield back time. I don't know if there is anyone who wishes to speak on the other side.

Mr. BOND. Mr. President, I rise to join with my colleague from Maine, Senator COLLINS, to offer an amendment on Medicare home health care. This amendment will give us the ability later this year to pass the Home Health Payment Fairness Act, a bill I have sponsored with the Senator from Maine and 31 other Senators, that tries to ensure that seniors and disabled Americans have appropriate access to high-quality home health care.

Home health care is a crucial part of Medicare through which seniors can get basic nursing and therapy care in their home. It is convenient. It is cost-effective. But more importantly, home health is the key to fulfilling a virtually universal desire among seniors and those with disabilities, to remain independent and within the comfort of their own homes despite their health problems.

Yet we have a crisis in home health, too many seniors who could and should be receiving home health are not getting it. This is tragic.

We all know the basic history, Congress made cuts in the Balanced Budget Act, the Health Care Financing Administration went too far in implementation, providers struggled or disappeared, and now patients are having a harder time getting care. This has been true for hospitals, for nursing homes, and for home health.

But there are two things that distinguish the home health crisis from all of the other Balanced Budget Act problems. First and most importantly, no other group of Medicare patients and providers, absolutely none, has suffered as much. The numbers don't lie: In 1999, two years after the Balanced Budget Act, almost 900,000 fewer seniors and disabled Americans were receiving home health care than previously. More than 3,300 of the Nation's 10,000 home health agencies have either gone out-of-business, or have stopped serving Medicare patients.

Medicare home health spending has actually gone down for three straight years, dropping by 46 percent from 1997 and 2000.

In my home state of Missouri, 27,000 fewer patients are receiving home care than before, a drop of 30 percent. And almost 140 home health care providers, almost half, have disappeared since the Balanced Budget Act.

The second thing that is unique about home health, the biggest cuts may be yet to come.

While other Medicare providers will still face some additional Balanced Budget Act cuts, nobody faces anything like the 15-percent across-the-

board home cuts that are now scheduled for October of 2002. That's a 15-percent cut on top of everything else that has happened thus far.

I do not believe this should happen, and I actually don't know of anybody who believes the 15-percent health cuts should take effect. That's why Congress has already delayed the 25-percent cuts three separate times.

Our amendment would give us the room in the budget to fix this once and for all, no more mere delays, no more half-measures. This amendment will allow us to pass legislation later this year to permanently eliminate these 15-percent cuts.

Home health care has been through enough. Our Nation's dedicated home health providers deserve to be left alone and given a break so they can focus on patient care rather than survival. The last thing they need is more cuts. And that is all our bill tries to do, we try to spare home care patients and agencies additional cuts that threaten to make a bad situation worse. The seniors and disabled Americans who rely on home health for the health care, and for their independence, deserve no less.

Ms. COLLINS. Mr. President, I have a unanimous consent request. Senator BURNS would like to be added as a cosponsor of the amendment. I ask unanimous consent that he be so added.

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

Ms. COLLINS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 11 minutes.

Ms. COLLINS. I would like at this time to reserve my time, but if other Senators wish to speak I have no objection.

Mr. REID. If the Senator will yield, we have reserved 5 minutes for the Senator in the morning and 5 minutes for Senator STABENOW. Senator GRASSLEY wishes to speak as in morning business.

Unless the Senator has some urge to speak tonight on this subject, my point is, if she has nothing more to say, we will yield back all time and allow Senator GRASSLEY to speak as in morning business. He wants to speak for an extended time.

Ms. COLLINS. Mr. President, is all the time yielded back on the amendment on the other side?

The PRESIDING OFFICER. Yes.

Ms. COLLINS. Mr. President, I would just like to make certain there are no Members on our side——

Mr. REID. I have checked with staff and they indicated they know of no one.

Ms. COLLINS. In view of those assurances, even though this is one of my favorite topics and I would like to continue to talk about it, as a courtesy to my colleagues, I will yield the remainder of my time.

AMENDMENT NO. 174

Mr. MCCAIN. Mr. President, to move the budget process forward, I voted to support the Grassley amendment today to raise the levels of spending for agriculture programs in the budget resolution. Despite my favorable vote, I wish to express my deep concerns about the form and level of spending included in this amendment.

The Grassley amendment will add an additional $63 billion in mandatory spending to agricultural programs over ten years, which is assumed to be paid from projected budget surpluses. This is above the amount proposed by my Republican colleagues on the budget committee. By designating the extra $63 billion as mandatory spending, much of this funding will be targeted toward farm subsidy programs.

The needs of American family farmers are not being ignored. Congress is in the process of drafting a new Farm bill to reauthorize USDA programs, which many would view as the appropriate vehicle to tackle necessary reform and address farm crises. In the past few years, Congress has approved more than $20 billion in emergency farm aid for crop losses and disaster assistance. The agriculture appropriations bill for fiscal year 2001 was padded with $300 million in porkbarrel spending for towns, universities, research institutes and a myriad of other entities. This is already an exorbitant commitment by the American taxpayer.

I believe it is fundamentally wrong that we are asking taxpayers to pay billions more, above already inflated levels of spending for farm programs and subsidies, particularly when the federal government is not meeting its current obligations for other designated mandatory spending programs such as education. For example, this budget resolution does not account for the federal government's responsibility to pay 40 percent of the Individuals with Disabilities Education Act, IDEA, for special education. I believe many of my colleagues would agree that we should prioritize mandatory spending for existing responsibilities not being fulfilled without requiring the taxpayers to spend an additional $63 billion for farm programs that have already been more than compensated.

After consultation with the leadership on this particular amendment, my colleagues stated that if Senator GRASSLEY's amendment failed, many would be in the position of having to vote for the Johnson amendment, which would have raised mandatory spending on agriculture programs by $97 billion, as the only available alternative. Therefore, while I believe this to be irresponsible fiscal policy, I ultimately decided to vote in favor of the Grassley amendment to move the process forward on the budget resolution and to avoid even greater wasteful spending. I remind my colleagues, however, that we still have an important obligation to American taxpayers to ensure that any spending we approve through the annual appropriations process pursuant to this budget resolution is fair, fiscally responsible, and targeted at those truly in need.

JUDICIARY COMMITTEE VIEWS

Mr. DOMENICI. Mr. President, I ask unanimous consent to have printed in the RECORD the Judiciary Committee's views and estimates letter from Senator HATCH.

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

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, DC, March 21, 2001.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

Hon. KENT CONRAD,
Ranking Democrat, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR PETE AND KENT: Thank you for your recent letter requesting my views pursuant to Section 301(d) of the Congressional Budget Act. As you know, the Committee on the Judiciary has jurisdiction over Department of Justice programs, as well as matters relating to the U.S. Patent and Trademark Office. After consultation with members of the Committee, I have prepared the following comments regarding the budget of the Department of Justice and the Patent and Trademark Office.

As I noted last year, the fiscal discipline exhibited by Congress in the past several years, culminating with the historic 1997 balanced budget agreement, has helped maintain and ensure a robust economy not just for now, but for the next generation as well. Maintaining a balanced federal budget will, of course, require us to make tough choices about spending priorities. Such changes must be executed in a fashion to ensure that each dollar is spent in a productive fashion. No department should be exempt from careful scrutiny.

Exercising fiscal responsibility, however, does not absolve us of our responsibility to carry out the core functions of government. As I am certain you agree, the administration of justice, including the protection of the public from crime and terrorism, are core functions of government. Indeed, as we begin the new millennium, these threats are becoming more sophisticated and dangerous, making vigilance more important than before. I look forward to working with you to develop a budget resolution that reflects the importance of this category of spending.

With these thoughts in mind, I am pleased to provide you with the views and estimates of the Committee on the Judiciary for the FY 2002 budget.

STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE

State and local law enforcement assistance programs, funded largely through the Office of Justice Programs (OJP), are a major component of the Department of Justice Budget. These federal grants to state and local law enforcement allow the federal government to contribute directly to the fight against crime without involving the Department of Justice in prosecuting crimes that are not federal in nature. As you know, most violent crimes, such as murder, rape, and assault, are state crimes, not federal crimes. By providing these grants, the federal government can help to reduce crime in a manner consistent with our constitutional system of government.

Local Law Enforcement Block Grants: The Local Law Enforcement Block Grant program (LLEBG) provides assistance on a formula basis to local law enforcement agencies. The LLEBG has made it possible for local police and sheriffs departments to acquire efficiency-enhancing technology and equipment. The LLEBG was funded at approximately $500 million in FY 2000 and FY

2001. I urge continued funding of this valuable grant program at a level consistent with the two previous fiscal years.

Byrne Grants: The Edward Byrne Memorial State and Local Law Enforcement Assistance Grant program is a successful and popular program which provides needed assistance to state and local law enforcement for a wide variety of purposes, such as purchasing capital equipment. Like the LLEBG, this program provides needed assistance to state and local law enforcement without entangling the federal government in the prosecution of crimes that are not federal in nature. I urge continued funding of this valuable grant program at a level consistent with the two previous fiscal years.

Juvenile Accountability Block Grants: This program provides valuable grants to states for a variety of law enforcement purposes targeting juvenile crime, including graduated sanctions, drug testing, and juvenile detention and incarceration.

Juvenile crime continues to be among the greatest criminal justice challenges in America. Juveniles account for nearly one-fifth of all criminal arrests. Even with the recent reductions in juvenile crime, there is a potential for significant increases in juvenile crime as the children of the baby boom generation mature into the prime age for criminal activity.

In the last several years, the Juvenile Accountability Block Grants received approximately $250 million per year. This is the only federal money dedicated to juvenile law enforcement and accountability programs. By contrast, the federal government spends billions of dollars in prevention funds for at-risk youth. There should be a balanced approach to juvenile crime with resources dedicated to prevention and accountability. Therefore, I urge continued funding for this program at a level consistent with the two previous fiscal years.

State Criminal Alien Incarceration Grants: The State Criminal Alien Assistance Program (SCAAP) reimburses states and local governments for the costs incurred in incarcerating illegal aliens who commit crimes in this country. Immigration is the responsibility of the federal government. The SCAAP reimbursements fulfill the federal responsibility to at least partially indemnify states for the costs of illegal immigration. These grants should be funded at an adequate level. Last year, the SCAAP grants received approximately $600 million. I urge continued funding for this program at an adequate level which is consistent with the two previous fiscal years.

DNA Analysis Backlog Elimination Grants: DNA samples must be analyzed by accredited laboratories before the samples can be placed in CODIS, the national DNA evidence database. Unfortunately, there is an approximate two-year nationwide backlog of 700,000 unanalyzed convicted offender DNA samples and unanalyzed DNA evidence from unsolved crimes. Authorities estimate that at least 600 felonies will be solved by eliminating the backlog of convicted offender DNA samples alone. Consequently, I urge funding of the recently enacted DNA Analysis Backlog Elimination Grants to help States analyze DNA samples and evidence and expedite their inclusion in CODIS.

In addition, state laboratories desperately need funding for buildings, equipment, and training of personnel in order to eliminate the backlog and to process crime scene evidence in a timely manner. Therefore, I urge adequate funding for the recently enacted Paul Coverdell National Forensic Sciences Improvement Act.

Criminal Technology Grants: Crime technology is critical to effective law enforcement. Millions of dollars have been invested in national systems, such as the Integrated Automated Fingerprint Identification System and the National Criminal Information Center 2000, which require state participation in order to be effective.

Additionally, state and local governments are at a crucial juncture in the development and integration of their criminal justice technology. The Crime Identification Technology Act (CITA) provides for system integration, permitting all components of criminal justice to share information and communicate more effectively on a real-time basis. There is also a tremendous need to integrate the patchwork of federal programs that fund only specific areas of anti-crime technology. Therefore, I recommend funding for CITA at a level consistent with the previous two fiscal years.

DRUG ABUSE

Combating drug trafficking remains one of the Judiciary Committee's top priorities. As you know, drug use among teenagers rose sharply throughout much of the last administration. However, in the past few years, because of the attention paid to the issue by Congress, drug use among teens has leveled off. Still, the rate of teenage use remains far too high.

Drug abuse in not confined to American teenagers. Far too many Americans still abuse illegal drugs, and the problem threatens to worsen as drugs such as methamphetamine and ecstasy become increasingly available throughout the country. We know that an effective drug control strategy can dramatically reduce drug use in this country. Such a strategy must embody a balanced approach and must contain both demand and supply reduction elements. This approach, which has the virtue of being nonpartisan, enjoys wide support. It has been endorsed by the law enforcement community, prevention and treatment experts, state and local government organizations, community-based organizations, and prominent political figures from across the ideological spectrum.

As for the supply reduction component of this strategy, the budget should contain sufficient resources to fund vigorous domestic law enforcement activities, including defending our borders, and international interdiction efforts. Such funding includes supply reduction efforts by the Department of Defense, the Coast Guard, and domestic law enforcement agencies, such as the Drug Enforcement Administration, the Federal Bureau of Investigation, and the Customs Service.

While we know that vigorous law enforcement measures are necessary, we must also provide resources for drug prevention and treatment programs. Such community-based programs, as we learned in the 1980's, can significantly reduce drug use in our communities. I recently introduced S. 304, the ''Drug Education, Prevention, and Treatment Act of 2001,'' which sets forth a comprehensive package of prevention and treatment proposals. I am confident that these programs, if adequately funded, will add the necessary demand reduction component to our national drug control strategy. I believe that if we are to win the war on drugs in America, we need a stronger national commitment to demand reduction as a complement to vigorous law enforcement efforts. Only with such a balanced approach can we remove the scourge of drugs from our society. Therefore, I recommend funding for the Drug Education, Prevention, and Treatment Act of 2001 at a level consistent with its authorization.

VIOLENCE AGAINST WOMEN ACT PROGRAMS

Congress has consistently supported funding for the majority of initiatives contained in the 1994 Violence Against Women Act. Last Fall, Congress re-authorized most of the programs contained in the original act for a five-year period with adjusted funding levels. I believe that this legislation will continue programs with a track record of effectiveness. Therefore, I recommend funding for this important Act at a level consistent with the new authorization.

ANTITRUST DIVISION FUNDING

Recognizing the increasingly numerous and complex merger proposals confronting the Department of Justice, as well as the explosive growth of high technology industries, both in the United States and abroad, a reasonable expansion of the Department's Antitrust Division may be appropriate if a sufficient justification could be made. However, given last fiscal year's increase in the Antitrust Division (and the Federal Trade Commission), it appears that both the Division and the Commission are adequately funded absent a justification for a funding increase.

RADIATION EXPOSURE COMPENSATION ACT FUNDING

The Department of Justice informed the Judiciary Committee last year that there is a severe shortfall in the funding for the Radiation Compensation and Exposure Act (RECA) Trust Fund. As you know, Congress passed the original Act in 1990 as well as subsequent legislation, S. 1515, last year to update the list of compensable illnesses. The Department is currently unable to meet any of the financial obligations for those individuals whose claims have been approved. As a result, hundreds of individuals are receiving ''IOUs'' from the federal government in lieu of their payment. Accordingly, in order to meet the government's obligation to provide financial assistance to these beneficiaries, I am requesting $84 million to pay those claims which have already been approved as well as the projected number of approved claims for fiscal year 2001.

INTELLECTUAL PROPERTY RIGHTS (IPR) CENTER

Last year, the President's budget requested $612,000 and eight positions for a joint Intellectual Property Rights (IPR) Center to be co-led by the FBI and the U.S. Customs Service. I supported the creation of this multi-agency enforcement center in last year's budget, which took a very important first step in creating a mechanism for coordinated enforcement of intellectual property rights in the United States. I supported President Clinton's budget request to fund this center this year as a down-payment, and I will continue to be vigilant in seeking to ensure that adequate funding is continued in the years to come. I hope that we will continue to move forward to ensure effective and efficient IPR enforcement and protection against the theft of American technology and intellectual property.

UNITED STATES PATENT AND TRADEMARK OFFICE

Technology and innovation are the driving forces behind our economy. Last year, the budget request acknowledged that ''[i]n the last 50 years, developments in science and technology have generated at least half of the nation's productivity growth, creating millions of high-skill, high-wage jobs and leading to advances in the economy, national security, the environment, transportation, and medical care.'' Yet while President Clinton's budget purported to promote science and technology through increased taxpayer funding, it penalized private sector investment in innovation by siphoning off roughly one-third of the total inventor-derived user-fees paid to the United States Patent and Trademark Office (USPTO) for technology-related services.

The USPTO is 100 percent supported by user fees paid by patent and trademark applicants and owners. Since 1992, Congress has

been withholding a gradually increasing portion of the USPTO's user fees each year. Examples of recent withholdings include $108 million in Fiscal Year 1999 and $116 million in Fiscal Year 2000. Last December, consistent with the President's budget request, legislation was passed that provides the USPTO with a budget of $1,039 million. Of the $1,039 million, $784 million will be derived from Fiscal Year 2001 and $255 million from a carryover from past years and any fees received in excess of $784 million will not be available to the USPTO in Fiscal Year 2001. With a projected revenue of $1,152 million for Fiscal Year 2001, this means an overall USPTO withholding of approximately $368 million for Fiscal Year 2001.

As you know, I have long opposed the diversion of patent fees as a debilitative tax on innovation. In my view, such a tax flies in the face of the Constitution's patent clause and its vision of government as a promoter, rather than an inhibitor, of innovation. I was pleased to work closely with you to sunset the patent surcharge fee in FY 1998, which for several years had been the source of the patent fee revenue subject to diversion and rescission. Last year, I was encouraged that the President's budget for the first time did not include fee diversion or recission as a means of funding unrelated spending.

Statutory withholding of fees paid for services undermines the integrity of the USPTO's fee-funded agency model and restricts the USPTO's ability to provide service to its customers and to promote American innovation and competitiveness. Withholdings are being made at a time when the USPTO is experiencing unprecedented grown in its workload. In the last five years, patent and trademark filings have been on the rise. Last year, patent filings were up twelve percent and trademark filings were up a staggering forty percent. Reduced availability of fee revenue will prevent the USPTO from replacing and hiring examiners to handle the increased workload. As a result, waiting times for patents and trademarks could drastically increase in 2001 and years to follow and there could be significant delays in bringing important new technologies and products to the marketplace. Companies in high-technology, biotechnology, and many other vital industries depend on prompt and high quality patents and trademarks to protect business investments in R&D and new product promotion. Moreover, fee diversion will force the USPTO to defer certain imperatives in automation, electronic filing, and other implementation of technology to improve the current ability and efficiency of the USPTO to handle increased workload and increasingly complex technologies.

As I understand it, what makes this practice possible is the fact that, in past years, the Budget Committee has delineated a portion of the USPTO's fee revenue as income subject to the discretionary authority of the Committees on Appropriations—an artifact of the patent fee surcharge created by the Omnibus Budget Reconciliation Act of 1990 (OBRA '90), which expired on September 30, 1998. OBRA '90 segregated a portion of fees that were subject to the appropriation discretion, and the remainder of the USPTO fee income was appropriated to the agency on a dollar-for-dollar basis.

With the lapse of the patent fee surcharge, the Judiciary Committee fashioned a modified fee system in which there was no longer a ''surcharge'' component to patent fees. We set the level of the fees to recover the cost of processing applications and intended that all of the fee revenue would be appropriated to the USPTO on a dollar-for-dollar basis, as was done for the majority of fee income under OBRA '90. We did not intend that there should be any discretion to withhold any portion of the fee revenues.

Accordingly, I recommend that in the upcoming budget all fee revenue of the USPTO be classified in a manner that requires that it be appropriated to the USPTO on a dollar-for-dollar basis. Thus, none of the fee revenues should be considered as discretionary expenditures for the purposes of the appropriations process. I have appreciated working with you on this particular issue in the past. If legislation is necessary to ensure this result, I am pleased to work with you in that regard.

Thank you again for contacting me on this matter and for your consideration of these views. I look forward to working closely with you on this matter and other issues.

Sincerely,

ORRIN G. HATCH,
Chairman.

FEDERAL EMPLOYEE PAY PARITY

Mr. SARBANES. Mr. President, I would like to commend the chairman of the Budget Committee for addressing the issue of Federal employee pay with the senior Senator from Virginia and me today.

The House-passed fiscal year 2002 budget resolution contains important provisions to ensure parity between the pay raises granted to civilian Federal employees and those provided to members of the armed services. Disparate treatment of civilian and military pay goes against longstanding policy of parity for all those who have chosen to serve our Nation—whether that service is with the civilian workforce or in the armed services. In fact, a comparison of military and civilian pay increases by the Congressional Research Service finds that in 17 of these last 20 years military and civilian pay increases have been identical.

Mr. WARNER. In the 106th Congress, an overwhelming majority of the United States Senate agreed, and approved a bipartisan pay parity amendment by a vote of 94 to 6 during consideration of legislation I introduced providing important pay increases for the military—S. 4, the Soldiers', Sailors', Airmen's, and Marines Bill of Rights. I know that Chairman DOMENICI supported that Federal employee pay parity amendment, and has been an advocate for pay parity through his position on the Budget Committee.

Mr. DOMENICI. As the chairman of the Armed Services Committee and the Senator from Maryland know, the Budget Committee has included language assuming parity between the raises granted to Federal employees and members of the armed services in the Committee Report on the Budget Resolution for the past 2 years.

Mr. WARNER. I thank the chairman of the Budget Committee for his strong past support. Would the Chairman explain what provisions regarding Federal employee pay have been included in this budget resolution?

Mr. DOMENICI. In drafting the budget resolution for fiscal year 2002, we have assumed that the historic pay parity between civilian and military employees will be maintained, and that the President's proposed 4.6 percent raise for military personnel will be similarly provided to all Federal workers next year.

Mr. SARBANES. I thank the chairman, and the distinguished Senator from Virginia for their interest and support. I am sure we all agree that a talented Federal and military workforce is crucial to getting the work of the American people done skillfully and efficiently. In many instances, Federal civilian and military employees work side-by-side doing the important work of the Nation, and Congress has recognized that we should not undermine the morale of these dedicated public servants by failing to bring them in line with military personnel. Continuing pay parity is one way to ensure the Federal Government is able to attract and retain qualified public servants.

ORDER OF PROCEDURE

Mr. REID. I ask unanimous consent the Senator from Iowa be recognized to speak as in morning business, and the time not be charged against either party on the resolution.

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

The amendments are laid aside. The Senator from Iowa is recognized as in morning business.

Mr. GRASSLEY. Did the Senator from Nevada have a closing statement to make?

Mr. REID. I also checked with staff who, as you know, know more about what is going on out here than most of us. I am sorry to admit that. They indicated that would be read upon the completion of your statement.

The PRESIDING OFFICER. The Senator from Iowa.

TAXES

Mr. GRASSLEY. Mr. President, I want to address the issue of tax cuts. It is an issue on which Republicans and Democrats all agree. We may not agree on how much taxes should be cut, but we do agree that the Federal Government is collecting too much tax. The current and projected U.S. tax receipts are far in excess of the amounts needed to operate the Federal Government. The most troubling news is that the bulk of these excess collections come from individual taxpayers. By coming from individual taxpayers, I mean through the individual income tax.

The Congressional Budget Office projects that the Federal Government will accumulate over $3.1 trillion in excess tax collections over the next 10 years. These excess collections are projected at the time when overall Federal tax receipts are at one of the highest levels in the history of the country. You will see from the charts that, even worse, individual income tax collections are near an all-time high, even higher than some levels imposed during World War II.

I have a series of charts to illustrate our present situation. The first chart I

have shows total Federal tax receipts as a percentage of gross domestic product for the last 40 years. As you can see from this chart, tax receipts have fluctuated frequently since 1960. But they have escalated very significantly since 1993. The increase in receipts from 1965 to 1969 was attributable to the Vietnam conflict. The runup in receipts from 1976 to 1981 was caused by bracket creep, which occurs when inflation causes wages to increase, forcing people into ever higher rate brackets. We corrected the problem of bracket creep from inflation years ago.

However, the most shocking spike in tax receipts began, as you can see, in 1993. The Congressional Budget Office's January 2001 report to Congress shows that, in 1992, total tax receipts were around 17.2 percent of GDP. However, since that time, Federal receipts have spiked upward very rapidly. By the year 2000, Federal tax receipts had exploded to an astronomical 20.6 percent of GDP. The significance of this percentage can only be appreciated in a historical context.

In 1944, which was at the height of the buildup during World War II, taxes as a percentage of gross domestic product were 20.9 percent, only one-half percent higher than they are this very day. By 1945, those taxes had dropped to 20.4 percent of GDP, which is lower than the collection level this very day.

It is simply unbelievable to me that in times of unprecedented peace and prosperity, the Federal Government should rake in taxes at a level that exceeds the level needed to defend America and the rest of the world during World War II. It simply does not make sense that the Federal Government should be collecting this record amount of taxes.

As bad as what I said sounds, it is not the whole story. That is because Federal agencies are required to exclude a significant piece of Federal collections. I am talking about user fees that taxpayers pay in order to obtain Federal services. These are fees but are still money collected from the people of the United States by the Federal Government.

For example, when someone visits Yosemite or Yellowstone National Park, they pay an entrance fee. Businesses are often required to pay user fees to obtain services of the Federal agencies. The dirty little secret on user fees is that, under our budget laws, they are not included as Federal receipts. Instead, they are treated as an offset to the expenses of the Federal agency collecting those receipts. So you heard me right, they never really show up on the Federal books as money that the Federal Government collects. Under this treatment, user fees, then, are a stealth receipt, one that understates Federal revenues and understates Federal outlays by offsetting the agency's operating expenses. These fees I just mentioned are not insignificant. During the year 2000, they accounted for nearly $212 billion in hidden revenue and expenses. You see on this chart that with user fees, we soon get to an unprecedented tax level of 22.76 percent of gross domestic product.

The most sorry part of this whole story is that this huge increase in taxes has been borne almost exclusively by the individual American taxpayer. As this next chart shows, over the past decade, tax collection levels for payroll taxes, corporate taxes, and all other taxes have been relatively stable.

Just look, every color on that chart—other taxes, corporate taxes, payroll taxes—have been constant over the last decade. But look at the very significant increase in income taxes during that period of time. Corporate taxes during the past 10 years have increased from 1.6 percent of GDP to 2.1 percent. Estate taxes have remained essentially unchanged. Collections of individual income taxes have soared.

As this chart shows, in 1992, tax collections from individual income taxes were 7.7 percent of our gross domestic product. That percentage has risen steadily each year and, as of the year 2000, was an astounding 10.2 percent of gross domestic product. Any wonder, then, why the President and most Members of Congress believe there ought to be a tax cut? That is why the President and most members of his party believe there ought to be a significant tax cut and it ought to be concentrated on reducing income taxes.

Individual income taxes now take up the largest share of gross domestic product in history. Even during World War II, collections from individuals were 9.4 percent of the gross domestic product, nearly a full percentage point below the current level.

So, as you can see, the main source of the current and projected surpluses is from the huge runup in individual tax collections that have occurred since the passage of the biggest tax increase in the history of our country—the 1993 tax Clinton tax increase.

Admittedly, some of this increase is due to our booming economy. A portion of this increase is attributable to real gains in wages, which has forced people into higher tax rate brackets. This real wage growth increase is not compensated for by the usual indexing of income tax brackets.

Since 1992, total personal income has grown an average of 5.6 percent a year. In contrast, however, the Federal income tax collections have grown an average of 9.1 percent a year, outstripping the rate of personal income growth by 64 percent.

That fact alone is outrageous. And it is a simple enough reason why we need to do something about individual income taxes and let American working men and women keep more of their resources.

Again, this started with the biggest tax increase in the history of the country under President Clinton in 1993. The results of these increases are obvious from the charts that we have reviewed. Each chart shows a large increase in taxes from 1993 to the year 2000. The Joint Committee on Taxation, at the request of the Joint Economic Committee, estimated that just repealing the revenue-raising provisions of President Clinton's 1993 tax hike would yield tax relief of more than $1 trillion over 10 years.

So I think the Democrats and Republicans alike can agree, and should agree, that individual taxpayers deserve relief from the Federal Government's overtaxation.

We have a tax surplus. That tax surplus should go to the people who earned it in the first place. It should be retained by the taxpayers. It will do more economic good in their pockets than in the pockets of Federal bureaucrats and Members of Congress, and letting them make a determination of how that money is spent. Sometimes it burns such a hole in our pocket that we do not know how to get rid of it fast enough.

President Bush has offered a plan to reduce individual income tax rates across all rate brackets, and to reduce the number of brackets. This benefits all income tax payers across America. We hear, however, a hue and cry from some on the other side of the aisle that not all taxpayers should receive a rate reduction. We hear that the President's plan is disproportionately benefitting upper income taxpayers, and does not provide enough relief at the lower end of the income scale.

That is a bunch of baloney. We have some news for our colleagues: None of those allegations are true. To begin with, we need to first understand the current distribution of tax burdens in America. We have a highly progressive income tax system. According to the Congressional Budget Office, the top 20 percent of income earners pay over 75 percent of all individual income taxes. Now, by contrast, households in the bottom three-fifths of the income distribution pay 7 percent of all individual taxes.

The President's plan not only preserves this progressive system, but it actually makes it more progressive. Now that is going to sound strange to people who have been concentrating on the rhetoric coming from the other side of the aisle that somehow only the rich are benefitting from the tax cut. But I say—and I can justify through the reports of the Joint Tax Committee—that once the President's program is passed, we are going to end up with an even more progressive system.

So to all those who are trying to engage in class warfare over the President's proposal, I want you to pay special attention to the following two charts.

As this first chart demonstrates, the President's marginal rate reductions, when combined with his increase in the child credit, the additional deduction for lower earning spouses, and his refundable tax credit for individual health insurance, provide the greatest

reduction in tax burden for lower income taxpayers. Just see the charts. The $0-to-$30,000 categories actually come out with a 136-percent decrease in taxes.

The upper income taxpayers receive an 8.7-percent reduction in their burdens. Compare a 136-percent reduction at the low income end to the high income end where the reduction is 8.7 percent.

Now, there has to be some reason for a 136-percent reduction in taxes. This is because we take 4 million taxpayers off the income tax rolls. A four-person family earning $35,000 a year will no longer have any income tax burden.

As this chart also shows, a large portion of tax burden reduction is targeted towards taxpayers making between $30,000 and $75,000 a year. These taxpayers will experience relief ranging from 20.8 percent to 38.3 percent of their current tax burdens. This is an important range of benefit because most small business owners and farmers operate their businesses as sole proprietorships, partnerships, limited liability corporations, or S corporations. The income of these types of entities are reported directly on the individual income tax returns of the owners, and a rate reduction for individuals reduces rates for farms and small businesses.

The Department of Treasury has estimated that at least 20 million farmers and small business owners will benefit under the President's tax relief plan when it is fully phased in.

Remember, I also said that the President's plan actually makes our tax system more progressive.

The next chart provides the proof. This is a very important chart for those who are constantly demagoging the President's proposal on the basis of income differences. This is the class warfare that we hear about.

As this chart clearly demonstrates, under the President's proposal, the overall tax burden goes down for all taxpayers earning below $100,000. For taxpayers making $100,000 and above, their share of the Federal tax burden will actually increase under the President's program. That demonstrates the statement I made earlier that based upon a Joint Tax Committee study, when the President's program is in place, the tax system will be more progressive than it is today.

Now, I will give some ''for examples.''

The share of the tax burden for taxpayers earning between $30,000 and $40,000 will drop from 2.5 percent to 1.8 percent. For those earning between $50,000 and $75,000, their burden share drops from 12.2 percent to 11.3 percent.

This is not the case for taxpayers earning $200,000 or more. Their share of the overall burden will increase by a full 3 percentage points. So as you can see, as I have said now for the third time, the President's plan not only retains the progressivity of our tax system, it actually enhances it. The President's plan gives tax relief to all income-tax payers, and it does so in a fair manner, one that requires more from those who are most able to pay and provides the greatest relief to those with the most need.

Moreover, this tax cut is needed to redress any longstanding slowdown in the economy. No one can witness the events of the past few weeks and not be concerned about where the economy is headed. I was startled by what I read in the Congressional Budget Office's 2001 Budget Options report. The Congressional Budget Office stated that a typical estimate of the economic cost of a dollar of tax revenue ranges from 20 cents to 60 cents over and above each dollar of taxes collected. Based on these numbers, the negative economic effects flowing from the current historically high levels of overtaxation obviously cannot be ignored.

We know from the Finance Committee hearing a few weeks ago that marginal rate reductions are the most efficient means of disbursing the benefits of any tax cut. Just think of the stimulative effect that could be achieved with a broad-based tax reduction that benefits all who pay taxes and targets the benefits to those who need them the most. That is what President Bush's tax plan does. I hope before this budget resolution debate is completed, we will have passed a budget resolution that gives my Finance Committee the ability and the flexibility to get the best possible tax reduction we can in a bipartisan way.

I want to run through a hypothetical calculation of a tax cut agenda and look at each number to see if it accommodates the agenda of its proponents. That is the work of the Senate Finance Committee. I will look at Senator CONRAD's number of $900 billion. The proposal Senators DASCHLE, CONRAD, and the Democratic leadership have been talking about is their stimulus and rate reduction package. Under Joint Tax Committee scoring, the proposal loses $506 billion over 10 years. That leaves about $394 billion for tax cuts that Senator CONRAD and others have said they support. We are talking about other bills beyond what is in their stimulus and rate reduction package.

The Finance Committee's Democratic alternative on marriage tax relief without a sunset contains a revenue loss of $197 billion over 10 years. The Democratic alternative on death tax relief creates a revenue loss of $64 billion over 10 years. So using the Democratic proposals and last year's revenue estimates, which would only go up this year because of the higher revenue baseline, we have less than $133 billion left. Keep in mind, these are only the Democratic proposals we are talking about.

Now let's go to the bipartisan tax cuts that have passed either or both Houses recently. There is a retirement security bill; Senator BAUCUS and I will soon be introducing that. That is a bipartisan bill. A similar bill passed the House almost unanimously. That bill will run about $52 billion. A bill to repeal the 104-year-old Spanish-American War phone tax passed the House last year by an overwhelming vote. That will run about $50 billion. Then there is the small business and agriculture tax cuts that everybody supports in a bipartisan manner. That package adds up to about $70 billion. Then we have the Educational Tax Relief Act that passed out of our Finance Committee unanimously in the last couple weeks. That runs about $20 billion.

You have Democratic proposals that eat up more than the tax cuts they say they want. Then we have bipartisan proposals that are out there, that are very popular, and which have to fit into a package. These bipartisan tax cuts are left over from last year, and also exceed what is left in the Democratic budget.

Now we have heard a lot of pointed criticism of President Bush's tax cut plan from Senator CONRAD and other leaders on the other side who are handling the Democratic management of the budget resolution. We have heard them talk about the issue of the alternative minimum tax, sometimes referred to as the AMT. Senator CONRAD has said it will take $200 billion to $300 billion to fix this AMT problem under the Bush plan. Remember, under current law, 10 percent of the taxpayers will have to deal with the alternative minimum tax. Senator CONRAD is correct that the President's plan could make the problem worse. As I have said, our Finance Committee should be addressing that problem. Please note, however, that the Senate Democratic economic stimulus package does nothing with the AMT and will in fact make the problem worse.

According to the Joint Tax Committee, by the year 2011 about 21 million taxpayers will be subject to AMT under current law. The Democratic bill will add about another 7 million taxpayers to the AMT hit. So if the Democratic leaders who make such a point of the AMT issue, then let them practice what they preach. These leaders will have to raise their budget tax cut numbers to deal with this alternative minimum tax situation.

Under the tests I have laid out, the Democratic budget number does not accommodate their own tax priorities. We have all of these Democrat proposals before us. We have all the bipartisan proposals, some of them actually having been voted on by both Houses of Congress. These are all ideas that everybody wants passed. But the number put forth for tax reduction by the other political party will not accommodate all the ideas they propose. I know there are a lot of people on the other side of the aisle, such as Senator BREAUX, who know this.

I think those who have proposed numbers in the range between $2 trillion and $4 trillion are also pushing a wrong number. Most of those people are on my side of the aisle or, if not in the Senate, in the House of Representatives. That tax cut number does not

balance our priorities of paying down the debt and targeted spending increases.

I believe this brings us back to a low Democratic number that doesn't even accomplish all the tax policy they want adopted. The other extreme is people saying $1.6 trillion is not enough, it ought to be up near $2.5 trillion. This brings us to the point of President Bush's number that he proposed as being very appropriate. It is not appropriate just because President Bush proposed it. It is appropriate because it will allow us—particularly the Senate Finance Committee—to accommodate the bipartisan tax cut priorities that are before us.

Senator BREAUX's number is better than the Democratic number because it allows more tax cuts to be addressed. It is, however, not enough—it does not provide enough flexibility for the Senate Finance Committee to do its work. Unlike the Democratic number, though, Senator BREAUX's number might be enough to cover Democratic priorities, plus a little bit more. But it would ignore the President's priorities. In considering the number, I want to give you my angle, as Chairman of the Senate Finance Committee. Senator BAUCUS and I need the full $1.6 trillion to make the tax cuts that all of the Members of Congress are interested in doing and may have voted on.

I think that many in this body are looking at the 1.6 trillion number in terms of a win or a loss for President Bush, rather than whether it is the right policy. Many Republicans are tending to look at the number, or anything higher, as a win for the President. Democrats are looking at anything less than the number as a loss for President Bush. Senator CONRAD and Senator DASCHLE have been explicit in their objective. They have worked very hard to try to defeat the President's tax cut.

Let me give you an example. I just talked to my staff on a piece of legislation that I am trying to get budget authority for. I had 20 Democrats lined up for the Family Opportunity Act—a bill that last year had 78 cosponsors—and we are getting close to that number this year. But we weren't taking the money for the bill out of the tax cut. So the message went out: Don't help GRASSLEY.

Now, thank God, the main leader on the other side in that effort who is working with me, Senator KENNEDY, has assured me he is going to be with me on what we ought to do. We are going to do the right thing. But that is how desperate the other side is to make sure that there is some victory of subtraction from the $1.6 trillion, just so the President can be defeated. We have to look at the numbers, whatever those numbers are, in terms of the tax cut agenda that is out there, including the President's and our own.

So, Mr. President, when Senator BREAUX's amendment comes up tomorrow, while it is well-intentioned, it just doesn't provide the Finance Committee with the tools necessary to do the job of delivering bipartisan tax relief.

I want to take about 2 minutes—and then I will finish—on another item related to the recent debate.

I was stimulated to give these remarks based upon the overuse of the word ''raiding''—the word ''raid'' or the word ''raiding''—like we are raiding the Medicare trust fund. I speak mostly about the leadership on the other side of the aisle. The manager for the Democrats speaks very well and very clearly. But I want to focus his attention on Webster's Dictionary. So I want to speak to Senator CONRAD and others who have suggested that the Domenici budget and the amendments that we have adopted will raid the Medicare trust fund.

I understand how tempting it is to use such colorful language, but I want to point out to my colleagues what the definition of the word ''raid'' is. As I read from Webster's dictionary, it says, ''a sudden hostile attack by an armed, usually mounted, bandit intent on looting.''

Well, I suppose we have to use some words from Sol Olinsky's school of political activism—which says that the more extreme you can be, the more attention you are going to get. There are some people in this body who have great aptitude in that respect. But, obviously, any people who study our budget process and who know what a Medicare trust fund is, or what any trust fund is, will know that no one is raiding the Medicare trust fund. I will explain what is really going on.

Under the Domenici budget, Medicare will collect payroll taxes. Those taxes will be credited to the balance in the trust fund. That balance will be reserved for Medicare and is reserved only for Medicare. The Medicare trust fund is just like your bank account. When you make a deposit, your bank account increases the balance in your account, and only you can make a withdrawal from your own personal bank account.

Now, when Senator CONRAD talks about raiding the Medicare trust fund, he is trying to mislead us. He wants people to believe that we are reducing the balance in the Medicare trust fund for some other purpose. That is just not true. The balance in the Medicare trust fund can only be reduced to pay Medicare benefits. That is the law.

Our budget does nothing to change the law. Once you get past the rhetoric, you will see this debate is not about Medicare, it is about debt reduction. In Senator CONRAD's view, we have to use the Medicare surplus to pay down the debt, or else we are raiding Medicare. Now, going back to the example of your own personal bank account, that is like saying your bank has to use your deposit to pay off the bank's mortgage, or else it is raiding your bank account. As everybody who has a bank account knows, that is clearly absurd because when you deposit money in your bank account, you rely on the bank's ability to collect on its loans to repay your money. When the Government borrows from Medicare, we rely on the Government's ability to do one of three things—raise taxes, reduce spending, or borrow from the public to repay Medicare.

It might be easier to repay Medicare if we pay down the debt. But the fact is, we are already doing that, as you have heard so many times during these three days of debate. Under our Domenici budget resolution, we are going to pay down every dollar of national debt that can be paid down between now and the year 2001.

Now, I believe that Senator CONRAD knows that is true. So that is why he has stopped talking about public debt and he is now started talking about long-term debt.

''Reducing long-term debt'' is a secret code word for Social Security and Medicare reform. Of course, we have not been presented a plan to reform Social Security or Medicare from the other side of the aisle. As a result, we can only conclude that once the Government runs out of public debt to pay down, it will be forced to invest Social Security and Medicare funds in private assets.

Federal Reserve Chairman Alan Greenspan has warned that such investments will disrupt the financial market and reduce the efficiency of our economy. Chairman Greenspan is not the only one concerned about such investment. In fact, in 1999, the Senate voted 99–0 against investing Social Security money in private assets.

I suggest that instead of talking about our budget raiding Medicare, I believe the Senators on the other side of the aisle who use that word need to explain their secret plan to reduce the long-term debt.

I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLARD. Mr. President, I ask unanimous consent that my time be marked against the general resolution and that I have 15 minutes.

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

Mr. ALLARD. Mr. President, I want to recognize the exemplary comments we just heard from the chairman of the Finance Committee, Senator GRASSLEY. That is one of the most complete discussions I have heard on the President's tax policy and how it impacts our total debt goals, actually what we call paying down the public debt and what we are going to do to save Medicare.

Anybody who listened closely fully understands the balance of the President's plan before us. I thought it was an extremely good speech, and I enjoyed listening to what he had to say.

I want to bring a little more discussion to some of the points he made. For example, he talked about the advantage of small business. As a small businessman, I want to talk about some of

my thoughts about how cutting taxes really does help the economy.

Senator GRASSLEY talked about paying down the debt. I also want to take some time to talk about my experience in the Congress in efforts to pay down the debt and add my two bits' worth as to why I think the President is on the right track.

Just as the Presiding Officer of the Senate, I started my business from scratch. I know what it is to have to start a small business from scratch. I remember the frustration the first several years I was in business. I began to build up some revenue. I wanted to do a good job of serving my clients as many small businesspeople do. They have a great idea and want to move forward.

At the end of the year, I found the capital I began to accumulate in my business all of a sudden was taken away because of taxes.

That has a dramatic impact on the growth of a small business, particularly at the early stage of growth and when they are starting.

Small businesspeople, such as myself and the Presiding Officer suffer a disproportionate impact from rules, regulations, and taxes on our small business.

I point out to the Members of the Senate, most of the innovative ideas in America and in democracy really start at the small business level. If we can put incentives out there that allow individual businesspeople to retain more of their income, to capitalize their businesses for growth, that means we create more jobs. The end result is that we begin to strengthen our economy.

I do believe these tax cuts will help the economy, and if we make the tax cuts even retroactive starting at the first of the year when they begin to have an impact even on the paycheck that goes home, it will help us.

I encourage Members of the Senate to work hard to put in place the $1.6 trillion tax cut that is proposed by the President.

Let me talk a little bit about my experiences in trying to pay down the debt. I probably have worked harder than any Member of the House or the Senate to try to put in place a plan to pay down the debt. When I first brought a plan forward, I was a Member of the House of Representatives, and as a Member of the Senate I introduced several plans.

When I was first elected to the Senate, I introduced a bill to pay down the debt within 30 years. I had a plan somewhat similar to an amortization schedule. I had a schedule of how we would pay down more money each year so that, over a 30-year period, the Federal Government would have paid down the debt. That was 4 years ago.

Two years ago, I looked at the amount of revenue coming in to the Federal Government, and I was amazed. So I introduced a bill that had a plan to pay down the debt within 20 years.

What I see now is that we are going to be able to pay down the public debt within 10 years and still be able to have the $1.6 trillion tax cut the President is proposing.

That is a reasonable plan he has put together. He is taking a quarter of the surpluses for tax cuts. It is reasonable and certainly a much better proposal than what I hear coming from the Democratic side where they want to take $60 billion and redistribute it to everybody. The President's proposal is that those people who pay taxes are the ones who will get a tax cut.

With the $60 billion plan on the other side, they are talking about a redistribution of income, so everybody gets a rebate, whether you pay taxes or not. It ends up being a massive redistribution income plan basically.

What we need to pass in the Senate is a real tax cut plan that gives a tax cut to the American taxpayer.

I remind Members of the Senate and Americans who might be watching right now that a record amount of their dollars is being sent to Washington. We saw some figures presented on the other side which indicated that as a percentage of gross domestic product, GDP, our tax burden is as low as it ever has been, but the growth in our gross domestic product has been so phenomenal for the last 5, 7, 8 years that any figure one compares to the gross domestic product is going to look low in comparison.

I prefer to look at actual figures. Looking at the actual figures—the amount of money being sent to Washington—the American taxpayer is sending a record amount of money to Washington, DC.

When we look at the plan that is being proposed by the President, it is a very modest tax cut. As was pointed out in testimony before the Budget Committee and other speeches made on the Senate floor, President Kennedy had a greater tax cut than this tax cut. President Reagan's tax cut was greater. In fact, as was pointed out by my colleague from Iowa, the largest tax increase in the history of this country, which was in 1993, with a Democrat Congress and Democrat President, was more than the tax cut that is being proposed by President George W. Bush.

We have to keep in mind that when taxpayers send money to Washington and then we have some sort of scheme where it is sent back to the taxpayers, one might want to call it a grant or maybe call it a rebate or revenuesharing or earned-income tax credits or just a gift. The fact is, when you send your money to Washington and we send it back, there is a passenger charge. The subtle message is somehow or another it is the Government's money. In reality, it is the taxpayers' dollars. That is where it starts. They are the ones who originally send the money to Washington.

We need to institute a policy that recognizes hard work and productivity of the American taxpayers.

I also point out that some of the phenomenal growth we are getting in revenues to the Federal Government is a consequence of having reduced the capital gains tax a couple years back. When you reduce the capital gains tax, historically the revenues to the Federal Government have always increased. We have reduced capital gains rates from 28 percent to 20 percent. What happened? We opened the floodgates of commerce.

With these new dollars coming into the Federal Government from more commerce, you end up having more revenue. I think that is a tax cut. It has been taxpayers who got that advantage. The result is more revenue is coming to the Federal Government. I don't think we have recognized that phenomenon enough on the Senate floor, and I want to take a moment to point that out.

The proposal being suggested by the President is a very balanced proposal. I think it has the right amount of tax cuts. I think it addresses debt reduction.

Now, on debt reduction, as I have looked at the issue of how much you can pay down the debt when you get down to the bottom trillion dollars—that is a lot of money still—there are some fundamental issues at which this Congress needs to look.

For example, in some of the testimony we had before the Budget Committee, the Fed, in managing the money supply of this country, uses debt. There is about $500 billion they use to manage that debt. If we are to completely pay down the debt, there has to be a fundamental discussion as to what you want the role of the Federal Government to be. Do you want the Fed to still have that ability to manage the supply of the dollar? If you want that, we will have to keep some debt in there so they can manage it. If you want to turn the dollar completely free on the market without any opportunity for the Fed to regulate supply, then perhaps the proper solution is to go ahead and pay the debt even further. That is a basic fundamental public policy that I think needs to be discussed in the Congress. I think we need to have some discussion among ourselves about how important that is.

For some people who don't want to turn in their war bonds or their Treasury notes—they have become a collector's item—we find it is costing more today to pay down, in some cases, perhaps as much as 43 percent more than the value of the bond to retire.

The President, again, I think has a right balance on tax relief, on debt reduction. He takes care of basic needs, which I think can be supported. He has overall spending for the 10 years at 4.7 percent. He has very significant increases in education in 2002, an 11.5-percent increase, a significant increase in defense, 4.5. We passed an amendment here that provides another $8.5 billion for that. He has increases for

health. I supported doubling NIH research dollars. There is money in there for transportation and veterans health.

I think this is a good budget. It is a good starting place. I am disappointed today we chipped away at some of that tax cut. I think that means there will be less opportunity for economic growth for people, particularly in the small business sector, who look for a reduction in the burden of taxes in order to be able to grow their business and to create jobs.

I thank the chairman of the Appropriations Committee, Senator STEVENS, for allowing me to speak. This is an important issue.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. I ask my remarks be charged similarly to those of the Senator from Colorado.

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

IN MEMORY OF SENATOR JOHN HEINZ

Mr. STEVENS. Mr. President, 10 years ago today Pennsylvania lost a great U.S. Senator, America lost a future President, and I lost a very dear friend. On April 4, 1991, Senator John Heinz was tragically killed in an airplane crash. He was not only a close personal friend. I was chairman of the campaign committee when he was elected. We sat by each other on the floor for years. We traveled together. We fished for blues together off Nantucket. And we worked on many issues together in the Senate.

Tonight I make these few comments in remembrance of my colleague. John Heinz was an extraordinary man. A person of great personal wealth, he was a Senator who cared dearly and deeply about average men and women, a Senator that fought to tear down antiquated age discrimination laws which failed to recognize and value the importance of older workers, a Senator who championed trade relief and adjustment for working men and women, as well as business, who fought any administration to ensure that workers hurt by our trade laws would not be victims of poverty or despair, a Senator who clearly recognized that our Nation's Medicare program was in desperate need of overhaul. But he knew his colleagues on each side of the aisle were not then, and are still not today, prepared to fix Medicare.

He was a Senator who believed we could address the myriad of environmental concerns of our Nation while still maintaining a balanced recognition of America's needs for resources and business development, and a Senator who cared deeply and loved his family.

John Heinz left three sons and a marvelous wife, Teresa. Tonight, I believe John Heinz looks down upon his family and, with that big smile he had which so many of us remember, he must be very, very proud. His family has continued his commitment to his values. John Heinz IV has started a school to help children who are on the verge of being discarded by the public school system realize their value and importance and that people really do care about them. Andre Heinz is pursuing his environmental interests advocacy by helping businesses across the globe understand how they and the environment can coexist and in many instances make larger returns for investors and working men and women. Christopher Heinz is finishing his MBA degree at the same school from which his father graduated. Christopher is likely to follow a business path, as his father did when Jack left Harvard.

But his greatest untold story, the untold story of the family, concerns Jack Heinz's wife, partner, spirit, and true love. Teresa Heinz is a personal friend of mine and my wife Catherine, someone we have known for many years. ''Extraordinary'' is the word I use to describe Teresa. Following John's death, she assumed the helm of the many Heinz family philanthropies and has nurtured them since then. They were among the most innovative and pioneering foundations in this Nation.

Teresa made sure that none of us forgets John or the visionary work he was pursuing by ensuring the Heinz family philanthropies and the Howard Heinz Foundation and endowment continue the pioneering work started by my friend, Jack Heinz. To honor Jack, Teresa created the Heinz Awards in 1993, a program to remember Jack, as Teresa said then, ''in a way that would inspire not just me, but the rest of us.'' When she announced the program, Teresa explained:

> I view the Heinz Awards in a sense as the awards of the 21st century because they recognize the very qualities we must embrace if we are to create the sort of future we would want to live in. . . . The Heinz Awards will measure achievements but also intentions.

I gave the first of those Heinz Awards to Andy Grove to show just how important they have been to our economy.

In 1996 Teresa tested in Pittsburgh her idea on how best to ensure early childhood education development was not just talked about but actually pursued. With a coalition of business leaders, the Heinz endowments launched Teresa's early childhood initiative, called ECI, to begin to tackle the issues of early childhood education and make sure that no family was left behind. In 1998 Teresa founded the Women's Institute to secure retirement, called WISER, to ensure that women, whether they work in or out of the home, would understand pension and retirement issues. Through a partnership with Good Housekeeping magazine, a magazine and supplement entitled ''What Every Woman Needs to Know About Money and Retirement,'' women are better able to be informed and educated on how to prepare for their financial future. That supplement has reached more than 25 million readers and is available in English, Chinese, Portuguese, and Spanish today.

Perhaps the most notable is the work that Theresa has done to help explain to legislators at the State and Federal levels, Jack Heinz's vision which he articulated, by the way, more than 14 years ago, that we need to make available a prescription drug benefit to all people 65 and over.

Through her work at Heinz family philanthropies, Terry has spearheaded an effort to help legislators understand this complex issue and how States can design solutions to solve this problem—now reaching a crisis state in our country. Dubbed HOPE, the Heinz plan to meet prescription expenses is used by many States such as Massachusetts, Maine, Mississippi, and Pennsylvania, which work with the foundation on strategies to provide prescription drugs for the elderly.

That is perhaps the best example of what I believe is the spirit of John Heinz, designing a blueprint to help States determine whether and how they can and whether they will address such a crisis.

Because of Theresa Heinz, the Heinz Family Foundation pursues efforts to keep Jack's spirit and vision alive. That is why I am here. And for that, each of us should be grateful. I personally thank her for all she has done.

Mr. President, John Heinz, as I said, was my friend. In my own way, I celebrate his spirit each day when I walk on the Senate floor. He is no longer with us in person, but his spirit, his vision, and his unrelenting belief in hope lives with all of us.

I am proud to have known this man, John Heinz, and I am proud he was my friend. To Theresa, I send this message: Jack's spirit is right here on the Senate floor. Be assured we will never, ever forget who he was, what he stood for, or his dream for America.

MORNING BUSINESS

Mr. STEVENS. Mr. President, I now ask unanimous consent there be a period for morning business with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection it is so ordered.

SENATOR JOHN HEINZ

Mr. SPECTER. Mr. President, 10 years ago today a tragic accident occurred in the Philadelphia suburbs claiming the life of a very distinguished United States Senator. In addition, two 6-year-old girls were killed at the Marion Elementary School, as well as four pilots who were in charge of two aircraft which collided in suburban Philadelphia—a small charter plane carrying Senator Heinz from Williamsport, PA, with the destination of Philadelphia, and two pilots on a Sun Oil helicopter which had attempted to observe the landing gear of the small private plane, which, according to the dashboard, were not in place.

Those two planes collided in midair resulting in the deaths, as I say, of the

four pilots and wounding many on the ground, including one young man who had 68 percent of his body covered with burns, and the deaths of two 6-year-old girls, and it was a fatal accident for Senator Heinz.

Senator Heinz had an illustrious career in the Congress of the United States. I first met him in 1971 when he was running for the seat of former Congressman Robert Corbin, who had died. And Elsie Hillman, the matriarch of Pennsylvania politics, and a leading figure nationally, had asked me to come be a speaker for a John Heinz fundraiser in her home.

I was then the district attorney of Philadelphia. I recall very well meeting this good-looking young man who was 32 years old, soon to be elected to the House of Representatives, and saw him in one of his maiden speeches charm the crowd and move on to the House of Representatives.

My next extensive contact with John Heinz was in the 1976 primary election where we squared off in what was a traditional Pennsylvania battle of east versus west. I was no longer the district attorney but had a significant following within the metropolitan area in eastern Pennsylvania, and John Heinz was the ''Zion'' of the west. It looked promising for a while when Philadelphia came in 10 to 1 in my favor and then United Press International declared me the winner at 1:30. But Allegheny County and some of the western counties came in as much as 15 to 1. This was a very close vote by 2.6 percent. With 26,000 votes out of a million cast, John Heinz became the U.S. Senator following the 1976 election at the age of 38.

He was a very distinguished Senator, as the record shows. He had a place on the Finance Committee. He had a place on the Banking Committee. He was chairman of the Aging Committee. It was rumored that he intended to run for Governor of Pennsylvania in 1994, and that he had aspirations for the White House. Of course, those potentialities were snuffed out by his untimely death.

John Heinz had unlimited political potential and was really one of the rising stars on the American political scene. His death left an enormous void in Pennsylvania politics, in American politics, and in the Senate.

I had seen him just the day before when we were in Altoona, PA, together. We were speaking at a lunch for the hospital association and had become very good friends after our tough primary battle which had occurred some 15 years before. Senator Hugh Scott and his administrative assistant, Bob Kunsic, had counseled John and me when he was elected to the Senate in 1980, that together we wouldn't be twice as strong but we would be four times as strong.

I used to drive John Heinz home. We both lived in Georgetown—he in a mansion and I in a condominium. In the early 1980s, Senator Baker used to work us very late, as did Senator Dole, and then Senator BYRD and then Senator Mitchell, our majority leaders. I would drive him home in the wee hours of the morning. And sometimes after 1 a.m., after one of those 20-hour days, we would sit and talk in his back alley before he entered his home, and we called it an end to the day.

The day before he died, I had Joan with me. I called her Blondie, which I do from time to time, and he was surprised. The last words I heard John Heinz say was, ''Does she call you Dagwood?'' I said, ''No, she doesn't, John.''

But in memory of John Heinz there have been many posthumous recognitions. The most important of all are the Heinz Awards, established by his then-widow Teresa Heinz, with very substantial endowments in five categories which were of greatest importance to John Heinz. They were: First, arts and humanities; second, environment; third, human condition; fourth, public policy; and, fifth, technology, the economy, and employment.

John Heinz left behind three extraordinary sons, Henry John IV, Andre, and Christopher. Hardly a day goes by that I don't think of John Heinz and the great contributions he made to the United States Senate.

I am advised that once a Member has been gone for 10 years, the Member is then eligible to have a stamp named after him. I am sure there will be many awards given to John Heinz. Already the numbers are significant, with the John Heinz Pittsburgh Regional History Center; the H. John Heinz Center for Science, Economics and the Environment; the H. John Heinz, III School of Public Policy and Management at Carnegie Mellon University; the John Heinz National Wildlife Refuge at Tinicum; and the H.J. Heinz Department of Veterans Affairs Medical Center.

CAPTAIN WILL BROWN

Mr. LOTT. Mr. President, I rise today to recognize and honor Captain Will Brown, United States Navy, as he retires upon completion of over 26 years of honorable and faithful service to our nation.

A native of Queens, New York, Captain Brown joined the Navy in 1975. A career Supply Officer, he began his service as the Sales Officer aboard USS GUAM, LPH–9, followed by a shore assignment at Naval Aviation Technical Training Center, Lakehurst, New Jersey. Captain Brown returned to sea as the Supply Officer aboard USS BARNEY, DDG–6, and then served as the Combat Systems Analyst at Commander, Naval Surface Force, U.S. Atlantic Fleet. Following graduation from the Naval War College, he was the Director of Consumable Logistics Management on the Chief of Naval Operations Staff followed by an assignment as Director of Repairables at Naval Supply Systems Command, Mechanicsburg, Pennsylvania. Captain Brown was then selected for the prestigious position of Executive Assistant to the Assistant Secretary of the Navy for Financial Management in Washington, DC. Following a successful tour of duty, he next reported to the Navy Office of Legislative Affairs as Congressional Liaison for Readiness Programs. Captain Brown was then chosen to serve as a senior Supply Officer onboard USS PUGET SOUND, AD–38. Recognized for his sustained outstanding leadership and organizational skills, Captain Brown was then selected to serve as the Senior Analyst on the Department of the Navy's Organization, Management and Infrastructure Team.

Returning to a position working with our nation's lawmakers, Captain Brown was handpicked to serve as Director of the Naval Programs Division, Navy Office of Legislative Affairs. In this capacity he was a major asset to the Navy, Marine Corps, and Congress and has been considered a valued advisor to the very top echelons of the Navy and Congress. His consummate leadership and integrity ensured that Naval programs were appropriate, understood, and well communicated. A role model and mentor to those who worked for and with him, he made his impact on people as well as programs. Through his brilliant insight and dedication, he directly contributed to the future readiness of the United States Navy and this nation.

Captain Brown's distinguished awards include the Legion of Merit, the Meritorious Service Medal, the Navy Commendation Medal, the Navy Achievement Medal, the Sea Service Ribbon, Battle ''E'' Ribbon, Navy Meritorious Unit Commendation and the Navy Unit Commendation.

The Department of the Navy, the Congress, and the American people have been defended and well served by this dedicated naval officer for over 26 years. Captain Will Brown will long be remembered for his leadership, service and dedication. He will be missed. We wish Will, and his lovely wife Phyllis, our very best as they begin a new chapter in their life together.

EQUAL PAY

Mr. KENNEDY. Mr. President, yesterday, Equal Pay Day, marked the day this year when women's median earnings for 2000 and 2001 to date, catch up with what men earned last year.

It is disgraceful that hard-working women and people of color are still battling wage disparities and pay discrimination on the job. There is a wealth of evidence that shows that the wage gap still continues to plague American families, and that wage discrimination continues to be a serious and pervasive problem in workplaces across the country. In spite of the progress we have made, women still earn only 76 cents for every dollar earned by men. African American

women earn just 64 cents, and Latinos earn only 54 cents for every dollar earned by white men.

I have long supported the Equal Pay Act, which was signed into law 37 years ago by President Kennedy, and believe that the wage gap in the United States is unconscionable. Women and people of color should not be treated as second class citizens when it comes to pay. But not everyone shares my view. I was deeply troubled to learn this week that Diana Furchtgott-Roth, one of the strongest and most vigorous opponents to equal pay, was newly named as Chief of Staff to the Council for Economic Advisors.

These pay disparities translate into large costs in lost wages and lost opportunity. The average working woman loses $4,200 in earnings annually, and suffers a loss of $420,000 over her career. This gender gap has a long-term impact, since lower wages and lower lifetime earnings lead to lower pension benefits in retirement. The median pension benefit received by new female retirees is less than half that of the benefits received by men.

While some critics argue that the differences in pay are based on different levels of education, years in the workforce, occupational differences and similar factors, these factors alone do not explain away the wage gap. Studies have found substantial pay differences between men and women even when these factors are held constant. In fact, women now surpass men in the percentage of those earning a college or advanced degree, but college-educated women working full-time earn almost $28,000 less annually than college-educated men. An African American woman with a master's degree earns $29,000 less annually than a college-educated white male. An Hispanic female with a bachelor's degree makes only $872 more than a white male with only a high school degree.

Pay discrimination is not just a women's problem, it's a family problem. The wage gap costs America's families $200 billion a year. Nearly two-thirds of working women report that they provide half or more of their family income. In addition, nearly one in five U.S. families is headed by a single woman, yet these women continue to earn the lowest average rate of pay. Women are entitled to the same paychecks as their male colleagues who are performing the same or comparable work. Without pay equality, women are less able to provide an economic safety net for themselves and their families.

If married women were paid fairly, their family incomes would rise by nearly six percent, and their families' poverty rates would fall from 2.1 percent to 0.8 percent. If single working mothers were paid fairly, their incomes would rise by 17 percent, and their poverty rates would be reduced from 25.3 percent to 12.6 percent. These figures demonstrate the staggering effects of these unfair pay disparities on the lives of women and their families.

The equal pay provisions of the Democratic leadership bill would toughen the Equal Pay Act by providing more effective remedies for women denied equal pay for equal work, allowing prevailing plaintiffs to recover compensatory and punitive damages. It also eliminates loopholes that employers use to evade the law, authorizes additional training for enforcement agencies to better handle wage disputes, and provides for the study of pay dynamics in the U.S. labor market to better understand the pay inequity problem. Finally, the bill forbids employers from prohibiting employees from disclosing their wages to co-workers, thereby making it easier for workers to evaluate whether their rights are being violated.

Congress should pass these equal pay provisions. It is unacceptable for women and people of color to work hard and yet be denied fair compensation. These disparities are particularly alarming, because they persist 37 years after the Equal Pay Act was first enacted and at a time when our nation has been enjoying unprecedented prosperity. It's the right thing to do, and the fair thing to do, for working families.

CERTIFICATION OF THE FEDERAL REPUBLIC OF YUGOSLAVIA

Mr. VOINOVICH. Mr. President, today I extend my congratulations to President Vojislav Kostunica, Prime Minister Zoran Djindjic and the Government of the Federal Republic of Yugoslavia on their courageous actions this past weekend in arresting former Yugoslav dictator Slobodan Milosevic. This important and encouraging development underscores Belgrade's commitment to making real and significant progress on certification requirements as outlined in the fiscal year 2001 Foreign Operations Appropriations Act.

For Belgrade, arresting Milosevic was an important factor in their ability to achieve certification by the U.S. Therefore, I am pleased with the decision of President Bush and Secretary of State Colin Powell to grant certification to the Federal Republic of Yugoslavia, FRY. I share their view that the Government of the Federal Republic of Yugoslavia has met the requirements for certification outlined by Congress last year, and I fully believe they will continue to make progress in these areas well beyond March 31.

It is clear that the government in Belgrade has taken some difficult steps in recent weeks to further democratize. The presence of hundreds of pro-Milosevic demonstrators rallying outside of Milosevic's villa over the weekend showed that opponents to democratic reform in the Federal Republic of Yugoslavia still exist. Despite those who remain in opposition, it is critical that President Kostunica's government stand strong in its efforts to promote democracy. To help in that regard, I believe that the United States should continue to support those in the FRY who are committed to a new era of peace, stability and democracy in the Balkans.

As one who has a lengthy personal history with southeastern Europe, I was pleased with the certification announcement by the State Department. To me, it was rivaled only by the excitement I felt at the final outcome of the presidential elections in the Federal Republic of Yugoslavia last fall which brought Vojislav Kostunica to the presidency. For years, I had worked to bring about democratic changes in the FRY working with opposition leaders to Slobodan Milosevic in diaspora. Since coming to the Senate, I have made a handful of visits to the region to get first-hand perspectives on the situation in the Balkans and I have visited and remain in contact with a number of top political leaders including President Kostunica, Serbian Prime Minister Zoran Djindjic and U.S. Ambassador to the Federal Republic of Yugoslavia, William Montgomery. I also have my ''ear to the ground'' via e-mail that I receive on a regular basis from a couple of retired members of the Ohio State Highway Patrol who are now serving as police officers in the United Nations' international police force in Kosovo. Needless to say, I pay attention to what is happening in the region.

To help support the new government of Dr. Kostunica, and as an incentive for Belgrade to make needed democratic changes, last October Congress approved $100 million in assistance for Serbia in the fiscal year 2001 Foreign Operations Appropriations Act. To obtain these funds after March 31, and ensure access to international financial institutions such as the IMF and World Bank, the fiscal year 2001 Foreign Operations bill outlined three certification requirements on the part of President Kostunica's new government: respect for the rule of law and human rights; implementation of the Dayton Accords; and cooperation with the International Criminal Tribunal for the Former Yugoslavia.

As I indicated to Secretary of State Colin Powell when I spoke with him last week, I believe the Federal Republic of Yugoslavia has complied with the spirit of the law outlined by Congress last year. The recent record of the Kostunica/Djindjic government is very positive, and it is my view that they have made considerable progress in all three areas outlined in the Foreign Operations Appropriations Act.

Regarding the rule of law, governments at both the Federal and the Republic levels in the FRY have taken steps to uphold human rights for minorities, particularly in southern Serbia. Deputy Prime Minister of Serbia Nebojsa Covic has worked to give ethnic Albanians in Serbia more control over their local governments and municipalities. During visits to Capitol Hill 2 weeks ago, Prime Minister

Djindjic indicated that the Serbian Government now includes minorities. U.S. Ambassador Montgomery has indicated in conversations we have had that President Kostunica and Deputy Prime Minister Covic have worked well together to make progress on this front, and the Ambassador has been encouraged by the results that he has seen.

Further human rights progress can be witnessed in the freeing of Kosovo Albanian prisoners. On February 26, the Serb parliament passed an amnesty law granting amnesty to more than 100 Kosovar Albanians held in Serb prisons. Since the end of the war in 1999, more than 1,500 of 2,000 ethnic Albanian prisoners have been released. While I believe the remaining 500 should be quickly released, especially the Djakovica group, there has been substantial progress in this area.

Regarding implementation of the Dayton Accords, the Federal Republic of Yugoslavia and the Republika Srpska have entered into a special relations agreement between the two which makes Belgrade's assistance to the RS military consistent with the Dayton Accords. In addition, President Kostunica has, on a number of occasions, publically declared his support for the Dayton Accords, the peace agreement reached at the end of the war in Bosnia-Herzegovina, and the FRY and Bosnia have established diplomatic relations. Prime Minister Djindjic also indicated to me during our meeting that the government will cut off pensions to RS army officers.

Regarding cooperation with the Hague Tribunal, President Kostunica's government has reopened a War Crimes Tribunal office in Belgrade, and the government helped to facilitate the extradition to the Hague of indicted war criminals Blagoje Simic and Milomir Stakic. In addition, after Justice Minister of the FRY Momcilo Grubac and Serbian Justice Minister Vladan Batic met with the Chief Prosecutor of the Hague, Carla Del Ponte, she described their talks as a sign of ''good progress.'' When I met with Ms. Del Ponte following the Presidential elections last September, she indicated that the cooperation of the new government, not custody of Milosevic himself, was the Tribunal's first priority. President Kostunica's government has taken a number of additional steps in this area, drafting a memo of understanding on how the government will cooperate with the Hague and writing a new measure to change the current law in the FRY that prohibits citizens from being extradited. The arrest of Milosevic on Sunday, April 1, is an additional factor illustrating the government's commitment to following through with its promises to take action and cooperate with the Tribunal.

I cannot overstate the importance of the Bush administration's decision to grant certification to the Federal Republic of Yugoslavia. By doing so, they have allowed the FRY government access to much-needed support from the IMF, World Bank and international financial institutions. This will help the government deal with a staggering number of outstanding and pressing emergency situations. For instance: the country's economy is failing, there is ongoing violence in the Presevo Valley, there is a nationwide energy crisis complete with rolling blackouts, there are calls for an independent Montenegro led by Montenegro's President Djukanovic, and they still have 800,000 refugees from Croatia and Bosnia, and 200,000 refugees from Kosovo.

President Kostunica and Prime Minister Djindjic are in a fragile political situation, which demands that they proceed with caution in their democratic reform efforts, especially with regard to Milosevic. Serb radical parties, including those with ties to Slobodan Milosevic, Vojislav Seselj and Zeljko ''Arkan'' Raznatovic, claimed nearly 30 percent of the vote in the December 2000 parliamentary elections, and the coalition government is partly dependent on the inclusion of the Montenegrin Socialist Peoples Party, led by Predrag Bulatovic, who also back Milosevic. Outside the realm of government, there are some Serbs who would like to see the United States walk away from the Federal Republic of Yugoslavia due to anti-American sentiment following the 1999 bombing campaign.

As I came to the decision to recommend certification, I carefully considered the political realities with which the new FRY government is faced. These realities became especially clear last weekend as Milosevic supporters, including members of the Serb Parliament, rallied outside of Milosevic's villa to protest his arrest. In my view, and in the view of many who follow what goes on in the Balkans, President Kostunica and his government offer a remarkable opportunity for beneficial change in the Federal Republic of Yugoslavia. While they have only been in office a short time, Dr. Kostunica has been President for 6 months, while Prime Minister Djindjic and the Parliament in Serbia have been in office for just 2 months, I have positive feelings about the direction they are leading the nation.

The qualified certification of the FRY guarantees that the United States still has leverage over the FRY if they fail to make good on their certification requirements. As the Bush Administration has indicated, U.S. support for an international donors' conference, scheduled to take place this summer, is contingent upon the FRY's continued cooperation with the Hague. Congress has additional funding leverage that may be exercised in the fiscal year 2002 appropriations process, as well as its oversight and approval authority of the State Department's spending plans in the FRY.

In closing, I applaud the progress that has been made in the FRY during this historic period of democratic transition. I am pleased that President Bush has chosen to recognize the efforts that President Kostunica has undertaken to move towards democracy by continuing U.S. assistance to the Federal Republic of Yugoslavia. I believe U.S. support will serve as a stabilizing force as the new government continues to promote a new era of peace in southeast Europe.

COMING TOGETHER TO FIGHT BREAST CANCER

Mr. BIDEN. Mr. President, I commend an initiative in my State that I am quite proud of.

I have stood on this floor many, many times over the past 28 years to laud people, programs, and events in Delaware. There is one statistic in my State, however, that I am not fond of repeating, but it is a sad fact that we must, and are, confronting: Delaware has one of the highest breast cancer death rates in the country.

Having said that, I want to commend the efforts of a special group of people who are determined to raise awareness about breast cancer and save more lives.

A couple weeks ago, a Wilmington salon, ''Chez Nicole,'' hosted a unique event to raise money for breast cancer. A couple hundred women packed this hair and manicuring salon on Sunday, March 4th. The owners, Nicole Testa and Joe Cannatelli, father and daughter, opened their business doors and offered the services of their two dozen employees, all free of charge. Nicole's husband, Ken Testa, was by her side the entire day also. The bottom line: More than $14,000 was raised to fight breast cancer.

The Biden Breast Health Initiative is a program designed to educate young women across Delaware on the importance of proper breast health and the life-saving importance of early detection of breast cancer.

Awareness and early detection are the best defenses in fighting breast cancer mortality, and for these measures to be most effective, they must be raised among young women.

Delaware has ranked, consistently and dismally, number one, two or three nationwide in breast cancer mortality rates over the past ten years.

The Biden Breast Health Initiative Committee found that ranking to be simply unacceptable for women, especially for a State as generally progressive as Delaware.

Since its inception, the ''breast health for teens'' program has been presented to many thousands of young women in nearly every high school in Delaware, both public and private.

But it takes more than the hard work of highly motivated volunteers to make a program like this work as well as it has, it also takes money.

All educational and support materials provided for the program are financed through fundraisers the committee holds annually, no taxpayer dollars are used to fund any aspect of the program.

The funds raised at the ''Chez Nicole'' event will be used to reach even more high school students and purchase supplies for the ''breast health for teens'' program. The money also is needed to train school nurses and health teachers on how to help young women maintain breast health throughout their life time.

I am proud to commend the generosity of Nicole Testa and Joe Cannatelli and their ''Chez Nicole'' team for their commitment to helping the Biden Breast Health Initiative educate more young women about breast cancer.

HIGHER EDUCATION AND TECHNOLOGY

Mr. TORRICELLI. Mr. President, I rise today to bring to your attention an editorial written by Dr. Harold (Hal) Raveche, president of Stevens Institute of Technology that appeared in the Boston Sunday Globe on February 18, 2001. Dr. Raveche is a highly respected academician. His recent Boston Globe editorial discusses the need to change our higher education system to reflect the changing dynamics of a high technology driven New Economy. Stevens is already teaching its students in a unique, different way called ''Technogenesis.''

I ask unanimous consent that Dr. Raveche's editorial be printed in the RECORD and urge my colleagues to give it thoughtful consideration.

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

IF HIGH SCHOOLS CAN CHANGE, THEN WHY NOT COLLEGES? HIGHER EDUCATION LARGELY THE SAME, DESPITE TECHNOLOGY ADVANCES

(By Harold J. Raveche)

College freshmen right out of high school are discovering an amazing contradiction once they cross the threshold into higher education: Colleges are far more expensive to attend, yet offer an education style that is out of date and not even up to par with what these kids experienced in high school.

President Bush's first week in office was dubbed education week. If this is truly the case, his administration should see that American colleges are offering students a century-old model of education, still powered by complacency and resistance to change, that lost its relevance nearly 30 years ago. If American high schools and elementary schools were as static as our colleges, the public would demand a major revolution. Yet, colleges continue under systems that seem impervious to change.

What's required is the breaking down of the walls that separate the departments in a college, and collaboration among the faculty, instead of the fiefdoms that are the rule. And, it requires quite a bit of capital to retool the system.

The more advanced high schools have already done this, and now colleges find themselves in the embarrassing position of having their freshmen become bored quickly by old systems of teaching that lack the excitement and challenge of what the students found in their junior and senior years of secondary schools. (This already occurs as the computer skills of recent high school students surpass the information technology sophistication of their college instructors. The teaching of core subjects such as science, mathematics, and writing has not changed for nearly a century. Computer technologies have festooned teaching with many new bells and whistles, but curriculums and content have remained largely the same. No matter what endeavor future graduates choose, they will increasingly face challenges that are inherently interdisciplinary, involving the overlap of people, technology, and global commerce. Yet, we continue to teach courses as we did in 1900, clinging to the belief that we are giving students critical thinking skills. But we aren't.

For example, topics in chemistry and physics, such as acid-base equilibria, electronic structure, Newton's laws, and Einstein's photoelectric effect are important concepts for students to learn. But, must we teach these concepts in the same static way? Can you imagine how many more students would be turned on by science if they studied chemistry through the learning of autoimmune diseases and how synthetic implants become functioning parts of our bodies? Can you imagine learning mechanics through bone and muscle functions? How about teaching quantum physics illustrating how semiconductors in Internet entertainment electronics work?

Further, can you imagine requiring writing assignments for computer science and electrical engineering majors, where papers were graded on content, grammar, and literary style? Can you imagine having math, literature, and marketing majors on the same learning team where their assignments include organizing a presentation for faculty review? Such changes would better prepare tomorrow's graduates.

Team-based learning prepares students to apply their knowledge and skills in context. You are a recent graduate with an economics degree who has just taken a job with a technology start-up company. Your CEO hired you because of your educational background, but she expects you to challenge the assumptions of the inventor, design engineer, production supervisor, and sales manager. Now, what do you do, because in college you studied only with other economics majors and hung out with your circle of friends? Had your college made the commitment to having you learn, in part, through teams consisting of students from different majors, you might be better prepared.

Faculty members also benefit through such curriculum changes because they are better able to assess the overall capabilities of the university's students, whereas today the evaluation of student progress is largely limited to areas of specialization. In this way, faculty will understand the cumulative impact on students of the university's various academic requirements. Graduates, after all, are the product of their total college experience. Beyond academe, it is well understood that organizations thrive when their component elements create synergy. This ''best practice'' applies to colleges.

Is such innovation a fad? Perhaps, in the view of traditionalists, I, rather, see these changes as the outcome of a whole new approach to undergraduate education, one that redefines instruction and collaboration according to how the world is evolving. Some colleges may claim that they are attempting change by adding new requirements to existing courses of study. That's the problem—courses have been inserted into yesterday's programs of study because of the tugs of technology and other factors. Instead, we must redesign our curriculums to advance our students.

Have you looked under the hood of your car lately? The engine is not just the old one with a few new parts. The former engines have been redesigned and technology is everywhere. Change was necessary to meet environmental, cost, and marketplace issues.

Specialists can't repair newer models without extensive training, new knowledge, and skills. To develop new curriculums, a very difficult task, faculty need training and ample time.

Realizing the new vision for higher education will be expensive. Faculty need opportunities to partner with faculty in other departments, which means paid leaves, reduced teaching loads, and incentives, particularly to engage research-oriented faculty. Workshops are needed for faculty and graduate teaching assistants, where outside professionals, who see connection between technology, social issues, and business, help shape the new curriculums.

Partnerships should include professionals beyond academe. Ongoing input and instruction from accomplished members of the private and government sectors will help ensure that students learn in the context of what they will encounter after graduation.

Classrooms with Internet access and new equipment are needed so that faculty can creatively utilize resources beyond the boundaries of their universities. New laboratories are needed that they have equipment that enables students to perform experiments beyond the traditional, narrowly focused exercises in chemistry, physics, and biology labs. Collaboration and innovation must be encouraged. In the current system, faculty are rewarded for teaching in their areas of specialization, research, and service. Faculty should be recognized for collaboration on new courses that go beyond their areas of expertise. How do you reward teamwork?

Policies are needed to minimize turf wars that will inevitably arise if academic units fear that curriculum redesign will cause the number of courses they teach to decrease. Perhaps the most important step in ensuring success is for the president to nurture the campus-wide mindset that interdisciplinary and team-based learning will be rigorous and subject to the highest standards of faculty scholarship.

Predictably, innovation will be accompanied by opinions, from various quarters, that departure from the tried and true will lower standards. On the contrary, by clinging to the status quo, academic preeminence will slowly, but inevitably, erode because changes in the world are outpacing undergraduate education.

Employers are investing more in training college graduates. It takes up to two years before recent graduates are able to contribute at the level expected by their companies. Shortcomings cited include people skills, ability to apply knowledge, and adjusting to projects involving professionals from different backgrounds and with different skill sets.

Each college and university has core values upon which their education is built. Such values do not change with time. However, using them as the foundation, institutions must redesign their curriculums to give students the broadest preparation for a world where traditional boundaries are blurred and disappearing. Without such innovation, colleges will be squeezed at both ends—high school seniors and employers will be disappointed.

ANTI-SEMITISM

Mr. SMITH of Oregon. Mr. President, I rise to make a statement on a matter that troubles me deeply. I do so with considerable reluctance.

It concerns a good friend of the United States, a country that for twenty years has been one of the bedrocks upon which the search of peace in the Middle East has rested, here I speak about the Arab Republican of Egypt. I am loathe to bring to this floor anything that mars the image of the country that produced a leader of the courage and vision of Anwar Sadat.

I am told that the time is never right for such a statement. This is, as the experts always say, a ''critical moment in the Middle East,'' a ''turning point,'' or a ''cross-roads.'' A wrong word here and a misplaced gesture there, I am told, and the pendulum may swing from tension to confrontation. Well, they may be correct. But then the time may never be right to speak out.

The wrong that has been committed in Egypt on a daily basis is one with which we in the West sadly have far too much experience. Indeed, it is a wrong that mars our history at its very roots and is something that we can never work too hard to remove from our thoughts and our consciousness. But because I know how far we have come in ridding this curse from our minds and hearts, and because I have come to learn how much it has become daily fare in the newspapers, airwaves, and pulpits of Egypt, I have put aside my reluctance to speak out on this issue today.

The issue is anti-Semitism.

I am not speaking of critiques of Israeli policy, but a resurgence of acerbic anti-Semitism and Holocaust denial. I am speaking of the coarsest sort of hatred of Jews as Jews, the kind of hatred that pollutes the mind, infects the soul and ensures that peace remains stone cold.

Caricatures of Jews that could have been lifted directly from the pages of Der Sturmer seem to have been transplanted directly into the leading Egyptian newspapers; accusations of far-fetched Jewish conspiracies that are restricted to the radical fringe in our country are daily fare of the elite press in Cairo—cartoons that are grotesque, stories that are lurid, articles that are filled with nothing but hate, loathing and intolerance. I have a long catalogue of vile statements, pictures, cartoons, and articles, but I will not sully the reputation of this chamber in reciting them to you today. I will, however, request inclusion in the CONGRESSIONAL RECORD of selections from several major Egyptian newspapers in recent months. These media outlets are all state-owned, pro-government newspapers.

It is a sad reality that anti-Semitism exists in many parts of the globe, alongside its first cousins of racism, sexism, xenophobia, and other forms of intolerance. And I am the first to admit that we as a nation do not have clean hands here. But what separates our experience from the terrible form of anti-Semitism that we see in Egypt today is that we denounce it from the secular and religious pulpits of our society. We give it no sanction and no sanctuary in our public life. And we fight it wherever it rears its ugly head.

Unfortunately, in Egypt the opposite seems to be the rule. Some of the vilest forms of anti-Semitic literature are published not in the sensationalist opposition press but in the major newspapers owned and operated by the Egyptian leaders who either dismiss the numerous examples of anti-Semitism as the stuff of far-left or far-right fringe groups or rush to hide behind the four word safe haven of ''freedom of the press.'' It is disappointing that Egyptian leaders do not take to the airwaves, opinion pages or pulpits of their country to denounce anti-Semitism and condemn those who would traffic in hate.

It is particularly disappointing that Egyptian leaders do not take a stand against this hatred because of its history and its role. Egypt is a leader in the Arab world, which affords her enormous influence. Egypt has been a brave leader in the pursuit of a peace that, on this issue, has sadly lost its moral compass. Two generations after the Holocaust and the founding of Israel, I, for one, can no longer sit idly by as I watch a new generation of Middle Easterners grow up inheriting an ideology of hate. Nor can I sit idly by as we Americans annually funnel close to 2 billion dollars to Egypt, some of which subsidizes a government-owned press which promulgates hatred and corrupts the minds of its readers.

Therefore, I believe that there needs to be a clear, unequivocal and systematic effort by the Government of Egypt to repudiate the purveyors of anti-Semitic hatred, to build a culture of tolerance on which the prospect of real peace can flourish.

As I said at the outset, I rise today with extreme reluctance. I want to be clear that this is not an issue regarding the freedom of the press in Egypt; rather, it is a call to action. I hope my colleagues will join me in sending a message to our friends in Egypt that such ugly and despicable anti-Semitism rhetoric must be repudiated officially and strongly at every level.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, April 3, 2001, the Federal debt stood at $5,776,367,926,942.46, Five trillion, seven hundred seventy-six billion, three hundred sixty-seven million, nine hundred twenty-six thousand, nine hundred forty-two dollars and forty-six cents.

One year ago, April 3, 2000, the Federal debt stood at $5,750,620,000,000, Five trillion, seven hundred fifty billion, six hundred twenty million.

Five years ago, April 3, 1996, the Federal debt stood at $5,135,691,000,000, Five trillion, one hundred thirty-five billion, six hundred ninety-one million.

Ten years ago, April 3, 1991, the Federal debt stood at $3,470,646,000,000, Three trillion, four hundred seventy billion, six hundred forty-six million.

Fifteen years ago, April 3, 1986, the Federal debt stood at $2,021,705,000,000, Two trillion, twenty-one billion, seven hundred five million, which reflects a debt increase of almost $4 trillion, $3,754,662,926,942.46, Three trillion, seven hundred fifty-four billion, six hundred sixty-two million, nine hundred twenty-six thousand, nine hundred forty-two dollars and forty-six cents during the past 15 years.

ADDITIONAL STATEMENTS

APRIL 26, 2001, IS NATIONAL D.O. DAY

• Mr. FITZGERALD. Mr. President, April 26 is National D.O. Day, a day when we recognize the more than 47,000 osteopathic physicians (D.O.s) across the country for their contributions to the American healthcare system. On National D.O. Day, more than 500 members of the osteopathic medical profession, including osteopathic physicians and medical students, will descend upon Capitol Hill to share their views with Congress.

I am pleased that nearly 40 osteopathic representatives will be visiting our Capitol from Illinois. These representatives are practicing osteopathic physicians, staff from the American Osteopathic Association's headquarters in Chicago, and osteopathic medical students from the Midwestern University-Chicago College of Osteopathic Medicine.

For more than a century, D.O.s have made a difference in the lives and health of Americans everywhere. They have treated presidents and Olympic athletes. They have contributed to the fight against AIDS and the fight for civil rights. And D.O.s have been represented at the highest levels of the medical profession. Recently, the U.S. Assistant Secretary of Defense for Health Affairs, the chief medical officer for the U.S. Coast Guard, and the Surgeon General of the U.S. Army were all osteopathic physicians.

As fully licensed physicians able to prescribe medication and perform surgery, D.O.s are committed to serving the health needs of rural and underserved communities. That is why D.O.s make up 15 percent of the total physician population in towns of 10,000 or less.

In addition, 64 percent of D.O.s practice in the primary care areas of medicine, fulfilling a need for more primary care physicians in an era marked by the growth of managed care. Overall, more than 100 million patient visits are made each year to D.O.s.

In recognition of National D.O. Day, I would like to congratulate the over 1,900 osteopathic physicians in Illinois, the approximately 630 students at Midwestern University-Chicago College of Osteopathic Medicine, and the 47,000 D.O.s represented by the American Osteopathic Association for their contributions to the good health of the American people.•

RETIREMENT OF CHIEF DOMBECK

• Mr. BINGAMAN. Mr. President, I rise today to recognize and thank Forest Service Chief Michael Dombeck. He served as Chief for four years, beginning in 1997 until his retirement from Federal service last week.

During his tenure, Chief Dombeck was a good friend to New Mexico. His assistance was critical in crafting the Community Forest Restoration Act. Enacted into law last year, this program provides grants to New Mexico communities to team up with the Forest Service to reduce hazardous fuels in and near national forests. I believe this program will set a good precedent for communities and Federal land management agencies to work in a collaborative manner to take care of our forests.

Chief Dombeck also quadrupled the budget for the Youth Conservation Corps, ''YCC''. YCC programs provide extraordinary benefits to both our youth and our natural resources. Through YCC, desperately needed restoration work is completed on our public lands. At the same time, young people, particularly those living in rural communities in New Mexico and throughout the West, engage in meaningful summer employment and gain new skills. This program also promotes collaboration between communities and Federal land managers.

Thanks in large part to his efforts and support, YCC is now one of the programs eligible for funding set aside by Title VIII of last year's Interior Appropriations Act, referred to as the ''Land Conservation, Preservation and Infrastructure Improvement'' account.

Last year, Chief Dombeck provided invaluable expertise as Senator DOMENICI and I worked to provide relief to communities at high risk from wildfire that are located in the vicinity of Federal lands. Specifically, he assisted us in targeting additional hazardous fuel reduction funds near these communities to reduce the threat of fire. In addition, he supported our plans to create employment opportunities in these communities. To accomplish this objective, we provided new authority for the land management agencies to give a preference to local people and YCC work crews when awarding contracts and agreements to complete the projects and conduct monitoring.

I commend Chief Dombeck for his efforts to both sustain community well-being and enhance the ecological integrity of the national forest system. I wish him well as he embarks on a new chapter in his life.•

RECOGNIZING THE WORK OF DR. THOMAS E. STARZL

• Mr. SANTORUM. Mr. President, it is my privilege to rise today to recognize the accomplishments of a living legend. Transplant pioneer Thomas E. Starzl performed the world's first liver transplant in 1963 and the first successful series of kidney transplants between nonidentical twins between 1963 and 1964, and he has for four decades continued to make equally extraordinary advancements in the field of organ transplantation.

This coming April 27, Dr. Starzl's former students and colleagues, representing the span of those 40 years, will pay tribute to Dr. Starzl as he enters emeritus status at the University of Pittsburgh. It will be a celebration much to Dr. Starzl's liking—an academic gathering in order to share important scientific information.

Dr. Starzl is a pioneer. His work has had lasting influence and utility in the field of transplantation and on other fields of medicine as well. His legacy has and will continue to make an impact on us all.

In 1980 he developed a combination of drugs that transformed transplantation of the liver and heart from an experimental procedure to a standard treatment for patients with end-stage organ failure. In 1989, his development of another drug markedly improved survival rates for all kinds of transplants and made possible for the first time successful transplantation of the small intestine.

When Pittsburgh welcomed him 20 years ago, we had no idea the incredible contributions this man would make to medicine and mankind. Indeed, the city has enjoyed an enhanced reputation because he chose to make the University of Pittsburgh his academic home. This year marks the 20th anniversary of the first liver transplant he performed in Pittsburgh. Since then, surgeons at the University of Pittsburgh and the UPMC Health System have performed nearly 6,000 liver transplants and more than 11,300 transplants of all organs. These numbers set the world standard, by far.

But Dr. Starzl's work goes far beyond Pittsburgh—he is truly a national treasure. He is one of history's greatest surgeons, someone who made saving a life routine. Even patients who have not been under his direct care have benefitted from his work. In fact, most of the world's transplant surgeons and physicians have been trained by Dr. Starzl or by those trained by him. By this standard alone his impact is immeasurable and permanent. He has forever changed and improved health care delivery as we know it.

Dr. Starzl, please know that every American is indebted to you for your hard work, your refusal to take no for an answer, and most of all, for your genius and skill as a surgeon and a researcher. The world is a better place because you chose to make Pittsburgh your home.•

HONORING BILL RADIGAN

• Mr. JOHNSON. Mr. President, I am saddened to report the passing of one of South Dakota's most exceptional public leaders, and a life-long friend in my home town of Vermillion, SD. Bill Radigan led a full life, committed to his family, his nation and his community.

Bill answered America's call to the military during World War II as a member of the Army Air Corps. He served the Vermillion region during his 35 years with the U.S. Postal Service, while simultaneously coordinating Vermillion's school bus system. He served as secretary of the South Dakota teener baseball program for over 30 years and provided needed leadership through the American Legion and VFW. Bill was secretary-treasurer of the Vermillion Volunteer Fire Department for 55 years, and served as city councilman and mayor of Vermillion, where he oversaw the development of progressive new projects in our home town.

I had the privilege of working with Bill on issues ranging from veterans' benefits to the Vermillion-Newcastle Bridge, which will span the Missouri River by the end of this summer. But for all of Bill Radigan's commitment to public service, nothing was more important in his life than his family. He and his wife Susie made a dynamic pair in our community, and their 11 children and many grandchildren were of utmost importance to them. Bill's national, State, and community leadership achievements were extraordinary, but the strong family values he and Susie lived out every day of their marriage serves as well as an inspiration for all.

I had the privilege of attending Bill's funeral this past week, and the outpouring of love and respect from the entire community was extraordinary. Our Nation and South Dakota are far better places because of Bill's life, and while we miss him very much, the best way to honor his life is to emulate his commitment to public service and family.•

HAPPY BIRTHDAY, MARY SAMSON LEFEVRE

• Mr. ROCKEFELLER. Mr. President, today is a special day in our office. We are joining our science fellow, Russ Lefevre, in celebrating the 99th birthday of his mother, Mary Samson Lefevre. She was born on April 4, 1902 and lived on a farm in North Dakota for her early years. Her parents were second generation French-Canadian immigrants, and she was one of eight children. She went to grade school at a Catholic elementary school in a small farming community but dropped out of school after the 8th grade to help on her parents' farm.

She married Ernest Lefevre in 1934. They lived in a small town in North Dakota. She worked most of her life in a bakery, retiring at age 74. Mrs. Lefevre lives in a care center in Maplewood, MN near her daughter. She is in good health and good spirits, as she participates in the many activities in the center. She continues her interest in national affairs.

While she had to leave school early, as often happened at that time, Mrs. Lefevre places great value on education. One of her sources of pride is that all three of her children are college graduates. This is largely due to her strong encouragement. Russ has a Ph. D. in Electrical Engineering. Shirley has a B.S. in Education and teaches in the White Bear Lake, MN Elementary Schools. Robert has a Bachelors degree in Mathematics and worked in the Software industry for over 35 years.

A 99th birthday is a special occasion for her, as well as her family and friends. Over the course of her long life, Mrs. Lefevre has seen an amazing transition in our country and our culture. Such experience brings a wisdom and knowledge that enriches the lives of her loved ones.

Such a celebration is also a chance for each of us to take a moment to appreciate our own family and our own family traditions.●

IN RECOGNITION OF JOHN JOHNSON

● Mr. TORRICELLI. Mr. President, I rise today to recognize the accomplishments and commitment of one of New Jersey's great leaders, John ''J.J.'' Johnson. He has dedicated his life to protecting and promoting the rights of his fellow union members and has worked to help many others build on the promise of the American Dream.

J.J first became active in the labor movement in 1960, when he organized the workers at the Peter Pan factory in East Newark, New Jersey. Since then, J.J. has worn many hats in his long and distinguished career of public service. For ten years, J.J. served as Secretary-Treasurer of Postal Union, Local #10. In 1975, J.J. co-founded Service Employees International Union Local 617, where he served for 25 years as Executive Vice President. Since then, Local 617 has become New Jersey's largest Public Employee Local, representing over 3,500 members.

Throughout the years, J.J. has been on the front line of progress for union members in New Jersey. In 1996, J.J. became the first African American from New Jersey to be elected to the Executive Board of the Service Employees International Union. As a member of the board, J.J. fought for fair wages, better health benefits, and safer working conditions, and was later elected president of the SEIU New Jersey State Council, which represents over 25,000 workers in the State of New Jersey.

In 1998, J.J. had the honor of being the first African American to serve as Grand Marshall of the Essex-West Hudson Labor Council ''Celebration of Labor Day Parade,'' and received the National Leadership Achievement Award from the SEIU Caucus of People of African Descent. In 2000, J.J. also became the first African American to receive the New Jersey AFL–CIO Labor Award, and later this month he will be honored by the National African American Caucus of the SEUI for his outstanding leadership in the Union.

I am proud to recognize the accomplishments of J.J. Johnson, a man who for thirty years has been a standard bearer of the labor movement. His hard work, determination, and service are a model for our labor leaders, indeed all leaders, to follow and learn from.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 10:09 a.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 768. An act to amend the Improving America's Schools Act of 1994 to make permanent the favorable treatment of need-based educational aid under the antitrust laws.

H.R. 974. An act to repeal the prohibition on the payment of interest on demand deposits, to increase the number of interaccount transfer which may be made from business accounts at depository institutions, to authorize the Board of Governors of the Federal Reserve System to pay interest on reserves, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 59. Concurrent resolution expressing the sense of Congress regarding the prevention of shaken baby syndrome.

H. Con. Res. 93. Concurrent resolution providing for a conditional adjournment of the House of Representatives and a conditional recess or adjournment of the Senate.

At 4:05 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 132. An act to designate the facility of the United States Postal Service located at 620 Jacaranda Street in Lanai City, Hawaii, as the ''Goro Hokama Post Office Building.''

H.R. 395. An act to designate the facility of the United States Postal Service located at 2305 Minton Road in West Melbourne, Florida, as the ''Ronald W. Reagan Post Office of West Melbourne, Florida.''

The enrolled bills were subsequently signed by the President pro tempore (Mr. THURMOND).

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 768. An act to amend the improving America's Schools Act of 1994 to make permanent the favorable treatment of need-based educational aid under the antitrust laws; to the Committee on Health, Education, Labor, and Pensions.

H.R. 974. An act to increase the number of interaccount transfers which may be made from business accounts at depository institutions, to authorize the Board of Governors of the Federal Reserve System to pay interest on reserves, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 59. Concurrent resolution expressing the sense of Congress regarding the establishment of National Shaken Baby Syndrome Awareness Week; to the Committee on Health, Education, Labor, and Pensions.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JEFFORDS, from the Committee on Health, Education, Labor, and Pensions:

Special Report entitled ''Special Report entitled ''Legislative Activities of the Committee on Health, Education, Labor, and Pensions during the 106th Congress''.'' (Rept. No. 107–11).

By Mr. HELMS, from the Committee on Foreign Relations, with an amendment in the nature of a substitute and an amendment to the title and with an amended preamble:

S. Con. Res. 7: A concurrent resolution expressing the sense of Congress that the United States should establish an international education policy to enhance national security and significantly further United States foreign policy and global competitiveness.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mrs. LINCOLN (for herself, Mr. ALLARD, and Mr. GRASSLEY):

S. 686. A bill to amend the Internal Revenue Code of 1986 to provide a credit against tax for energy efficient appliances; to the Committee on Finance.

By Mr. TORRICELLI (for himself and Mr. CORZINE):

S. 687. A bill to amend the Internal Revenue Code of 1986 to make higher education more affordable by providing a tax deduction for higher education expenses, and for other purposes; to the Committee on Finance.

By Mr. SCHUMER:

S. 688. A bill to amend title 49, United States Code, relating to the airport noise and access review program; to the Committee on Commerce, Science, and Transportation.

By Mr. SCHUMER (for himself and Mrs. CLINTON):

S. 689. A bill to convey certain Federal properties on Governors Island, New York; to the Committee on Energy and Natural Resources.

By Mr. WELLSTONE:

S. 690. A bill to amend title XVIII of the Social Security Act to expand and improve

coverage of mental health services under the medicare program; to the Committee on Finance.

By Mr. REID (for himself and Mr. ENSIGN):

S. 691. A bill to direct the Secretary of Agriculture to convey certain land in the Lake Tahoe Basin Management Unit, Nevada, to the Secretary of the Interior, in trust for the Washoe Indian Tribe of Nevada and California; to the Committee on Energy and Natural Resources.

By Mr. HELMS:

S. 692. A bill to issue a certificate of documentation for the vessel EAGLE; to the Committee on Commerce, Science, and Transportation.

By Mr. GRASSLEY (for himself, Mr. BREAUX, and Mr. BURNS):

S. 693. A bill to amend the Social Security Act to provide additional safeguards for beneficiaries with representative payees under the Old-Age, Survivors, and Disability Insurance program or the Supplemental Security Income program; to the Committee on Finance.

By Mr. LEAHY (for himself, Mr. BENNETT, Mr. LIEBERMAN, Mr. DODD, Mr. COCHRAN, Mrs. LINCOLN, Mr. REID, and Mr. DOMENICI):

S. 694. A bill to amend the Internal Revenue Code of 1986 to provide that a deduction equal to fair market value shall be allowed for charitable contributions of literary, musical, artistic, or scholarly compositions created by the donor; to the Committee on Finance.

By Mr. DORGAN (for himself, Mr. BINGAMAN, and Mr. BYRD):

S. 695. A bill to provide parents, taxpayers, and educators with useful, understandable school report cards; to the Committee on Health, Education, Labor, and Pensions.

By Mr. BROWNBACK:

S. 696. A bill to prohibit the Federal Communications Commission from applying spectrum aggregation limits to spectrum assigned by auction after 2000; to the Committee on Commerce, Science, and Transportation.

By Mr. HATCH (for himself, Mr. BAUCUS, Mr. HAGEL, Mr. ROCKEFELLER, Mr. CRAIG, Mr. BINGAMAN, Mr. CRAPO, Mrs. LINCOLN, Mr. BROWNBACK, Mr. TORRICELLI, Mr. WARNER, Mr. CONRAD, Mr. ROBERTS, Mr. KERRY, Mr. SMITH of Oregon, Mr. DASCHLE, Ms. COLLINS, Mr. BREAUX, Mr. HUTCHINSON, Ms. MIKULSKI, Ms. LANDRIEU, Mr. CARPER, Mr. CLELAND, Mr. SCHUMER, Mr. DORGAN, Mr. BIDEN, Mrs. CARNAHAN, Mr. NELSON of Nebraska, Ms. STABENOW, Mr. WELLSTONE, Mr. DAYTON, Mr. SARBANES, Mr. DURBIN, Mr. BAYH, and Mr. MILLER):

S. 697. A bill to modernize the financing of the railroad retirement system and to provide enhanced benefits to employees and beneficiaries; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. BOXER (for herself and Mr. REID):

S. 698. A bill to amend the Safe Drinking Water Act to designate chromium-6 as a contaminant, to establish a maximum contaminant level for chromium-6, and for other purposes; to the Committee on Environment and Public Works.

By Mr. JOHNSON (for himself and Mr. DASCHLE):

S. 699. A bill to provide for substantial reductions in the price of prescription drugs for medicare beneficiaries; to the Committee on Finance.

By Mr. CAMPBELL (for himself, Mr. KOHL, and Mr. HATCH):

S. 700. A bill to establish a Federal interagency task force for the purpose of coordinating actions to prevent the outbreak of bovine spongiform encephalopathy (commonly known as ''mad cow disease'') and foot-and-mouth disease in the United States; read the first time.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. THOMPSON:

S. Con. Res. 31. Concurrent resolution commending Clear Channel Communications and the American Football Coaches Association for their dedication and efforts for protecting children by providing a vital means for locating the Nation's missing, kidnapped, and runaway children; to the Committee on the Judiciary.

By Mr. DURBIN:

S. Con. Res. 32. A concurrent resolution honoring The American Society for the Prevention of Cruelty to Animals for its 135 years of service to the people of the United States and their animals; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 128

At the request of Mr. JOHNSON, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. 128, a bill to amend the Federal Deposit Insurance Act to require periodic cost of living adjustments to the maximum amount of deposit insurance available under that Act, and for other purposes.

S. 145

At the request of Mr. THURMOND, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. 145, a bill to amend title 10, United States Code, to increase to parity with other surviving spouses the basic annuity that is provided under the uniformed services Survivor Benefit Plan for surviving spouses who are at least 62 years of age, and for other purposes.

S. 170

At the request of Mr. REID, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 170, a bill to amend title 10, United States Code, to permit retired members of the Armed Forces who have a service-connected disability to receive both military retired pay by reason of their years of military service and disability compensation from the Department of Veterans Affairs for their disability.

At the request of Mr. HUTCHINSON, the name of the Senator from Oregon (Mr. SMITH) was added as a cosponsor of S. 170, supra.

At the request of Mr. NELSON of Florida, his name and the name of and the Senator from Missouri (Mr. BOND) were added as cosponsors of S. 170, supra.

S. 277

At the request of Mr. KENNEDY, the name of the Senator from Delaware (Mr. CARPER) was added as a cosponsor of S. 277, a bill to amend the Fair Labor Standards Act of 1938 to provide for an increase in the Federal minimum wage.

S. 288

At the request of Mr. WYDEN, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 288, a bill to extend the moratorium enacted by the Internet Tax Freedom Act through 2006, and encourage States to simplify their sales and use taxes.

S. 316

At the request of Mr. MCCONNELL, the name of the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 316, a bill to provide for teacher liability protection.

S. 351

At the request of Ms. COLLINS, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 351, a bill to amend the Solid Waste Disposal Act to reduce the quantity of mercury in the environment by limiting use of mercury fever thermometers and improving collection, recycling, and disposal of mercury, and for other purposes.

S. 381

At the request of Mr. ALLARD, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 381, a bill to amend the Uniformed and Overseas Citizens Absentee Voting Act, the Soldiers' and Sailors' Civil Relief Act of 1940, and title 10, United States Code, to maximize the access of uniformed services voters and recently separated uniformed services voters to the polls, to ensure that each vote cast by such a voter is duly counted, and for other purposes.

S. 403

At the request of Mr. COCHRAN, the names of the Senator from Michigan (Mr. LEVIN) and the Senator from West Virginia (Mr. ROCKEFELLER) were added as cosponsors of S. 403, a bill to improve the National Writing Project.

S. 413

At the request of Mr. COCHRAN, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 413, a bill to amend part F of title X of the Elementary and Secondary Education Act of 1965 to improve and refocus civic education, and for other purposes.

S. 426

At the request of Mrs. CLINTON, the name of the Senator from Delaware (Mr. CARPER) was added as a cosponsor of S. 426, a bill to amend the Internal Revenue Code of 1986 to provide an income tax credit to holders of bonds financing new communications technologies, and for other purposes.

S. 428

At the request of Mrs. CLINTON, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 428, a bill to provide grants and other incentives to promote new communications technologies, and for other purposes.

S. 429

At the request of Mrs. CLINTON, the name of the Senator from Delaware

(Mr. CARPER) was added as a cosponsor of S. 429, a bill to expand the Manufacturing Extension Program to bring the new economy to small and medium-sized businesses.

S. 430

At the request of Mrs. CLINTON, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 430, a bill to provide incentives to promote broadband telecommunications services in rural America, and for other purposes.

S. 463

At the request of Mrs. FEINSTEIN, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 463, a bill to provide for increased access to HIV/AIDS-related treatments and services in developing foreign countries.

S. 466

At the request of Mr. HAGEL, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 466, a bill to amend the Individuals with Disabilities Education Act to fully fund 40 percent of the average per pupil expenditure for programs under part B of such Act.

S. 501

At the request of Mr. GRAHAM, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. 501, a bill to amend titles IV and XX of the Social Security Act to restore funding for the Social Services Block Grant, to restore the ability of States to transfer up to 10 percent of TANF funds to carry out activities under such block grant, and to require an annual report on such activities by the Secretary of Health and Human Services.

S. 534

At the request of Mr. CAMPBELL, the names of the Senator from New York (Mr. SCHUMER), the Senator from Utah (Mr. HATCH), and the Senator from Wisconsin (Mr. FEINGOLD) were added as cosponsors of S. 534, a bill to establish a Federal interagency task force for the purpose of coordinating actions to prevent the outbreak of bovine spongiform encephalopathy (commonly known as ''mad cow disease'') and foot-and-mouth disease in the United States.

S. 582

At the request of Mr. GRAHAM, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 582, a bill to amend titles XIX and XXI of the Social Security Act to provide States with the option to cover certain legal immigrants under the medicaid and State children's health insurance program.

S. 599

At the request of Mr. ROBERTS, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 599, a bill to amend the Omnibus Trade and Competitiveness Act of 1988 to establish permanent trade negotiating and trade agreement implementing authority.

S. 604

At the request of Mr. COCHRAN, the name of the Senator from Rhode Island (Mr. CHAFEE) was added as a cosponsor of S. 604, a bill to amend title III or the Elementary and Secondary Education Act of 1965 to provide for digital education partnerships.

S. 611

At the request of Ms. MIKULSKI, the names of the Senator from Washington (Mrs. MURRAY) and the Senator from Hawaii (Mr. AKAKA) were added as cosponsors of S. 611, a bill to amend title II of the Social Security Act to provide that the reduction in social security benefits which are required in the case of spouses and surviving spouses who are also receiving certain Government pensions shall be equal to the amount by which two-thirds of the total amount of the combined monthly benefit (before reduction) and monthly pension exceeds $1,200, adjusted for inflation.

S. 643

At the request of Mr. BAUCUS, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 643, a bill to implement the agreement establishing a United States-Jordan free trade area.

S. 662

At the request of Mr. DODD, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 662, a bill to amend title 38, United States Code, to authorize the Secretary of Veterans Affairs to furnish headstones or markers for marked graves of, or to otherwise commemorate, certain individuals.

S. 683

At the request of Mr. SANTORUM, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. 683, a bill to amend the Internal Revenue Code of 1986 to allow individuals a refundable credit against income tax for the purchase of private health insurance, and to establish State health insurance safety-net programs.

S. CON. RES. 14

At the request of Mr. CAMPBELL, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. Con. Res. 14, a concurrent resolution recognizing the social problem of child abuse and neglect, and supporting efforts to enhance public awareness of it.

AMENDMENT NO. 174

At the request of Mr. GRASSLEY, the names of the Senator from Missouri (Mr. BOND) and the Senator from Idaho (Mr. CRAIG) were added as cosponsors of amendment No. 174 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

AMENDMENT NO. 176

At the request of Mr. CONRAD, the names of the Senator from Montana (Mr. BAUCUS) and the Senator from Minnesota (Mr. DAYTON) were added as cosponsors of amendment No. 176 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TORRICELLI (for himself and Mr. CORZINE)

S. 687. A bill to amend the Internal Revenue Code of 1986 to make higher education more affordable by providing a tax deduction for higher education expenses, and for other purposes; to the Committee on Finance.

Mr. TORRICELLI. Mr. President, today, I rise to introduce the Higher Education Affordability and Fairness Act.

It is easy to forget that less than ten years ago this nation faced an endless stream of budget deficits. Today, through fiscal responsibility and the hard work and sacrifice of the American people, an unprecedented budget surplus has taken the place of annual deficits.

Clearly, there are many priorities to be addressed with this good fortune. The time has come to ease the tax burden on the American public through a reduction in tax rates. We must reserve a portion of the surplus for necessary investments in education, a prescription drug benefit, as well as a continuation of the progress we have made in reducing the national debt. Among those priorities we must include programs and policies to increase the affordability of a college education. I believe that this can be done through expanding tax credits and making college tuition tax deductible.

A college degree is becoming a prerequisite for the advanced skills that have become necessary in this global, information-based economy. And financially, a college education is integral to achieving middle-class earning power. In 1999, the average male college graduate earned 90 percent more than the average male high school graduate. In the late 1970's the difference in pay was only 50 percent.

While the benefits and the need of higher education have increased, so, too have the costs. In the last decade, the cost of sending a child to college has increased 40 percent, nearly two and a half times the rate of inflation.

Too often, the struggle to send a child to college consumes the budget of working families. In New Jersey, families spend anywhere from 30 to 50 percent of their incomes on college expenses, leaving little for the mortgage, medical bills, long-term care for a parent, or even a car payment.

In years past, Congress has sought to address college affordability by providing a HOPE Scholarship tax credit of up to $1,500 for the first two years of expenses and a Lifetime Learning tax credit of up to $1,000 for the third and fourth years as well as for graduate school. For low-income families, Congress has increased funding to $8.75 billion for Pell grants, a need-based grant program that will help send four million Americans to college this year.

But more can and should be done.

Under existing law, taxpayers cannot deduct higher education expenses from their taxes, unless the expenses meet a very narrow definition as ''work-related''. In addition, families living in high cost states like New Jersey or California do not receive the same benefits as those living in lower cost states because of unfair income limitations. Finally, a family who invests in an Education IRA cannot use the savings for a child's college education and also receive the benefits of the HOPE or Lifetime Learning tax credits. Today, I am introducing the Higher Education Affordability and Fairness Act, HEAFA, to address these issues.

HEAFA would allow families who take the HOPE tax credit to deduct up to the next $8,000 in tuition expenses not covered by the credit, capping the deduction at $15,000 in tuition expenses in one year if a family has more than one child in college. Families ineligible for the Hope Scholarship, due to its income limitations, would be able to deduct $5,000 of tuition costs.

The bill would also increase the Lifetime Learning credit to 20 percent of $10,000 of tuition, from the current 20 percent of $5,000, and provide families with the choice of taking either the credit or a deduction on up to $10,000 of tuition, $5,000 if a family earns more than $120,000 a year.

HEAFA would raise the phase-out limit for the HOPE credit to $60,000 for singles and $120,000 for couples, allowing more families to benefit.

In order to ensure that savings go to the intended beneficiaries, families and students, the bill directs an annual study to examine whether the federal income tax incentives to provide education assistance affect higher education tuition rates.

Finally, to address the needs of low-income families, the bill expresses the sense of the Senate that the maximum annual Pell Grant should be increased to $4,700 per student.

With so many families struggling today to pay their mortgages, afford the high cost of prescription drugs and contribute to the long-term care of their parents, helping families better afford college is the least we can do.

By Mr. WELLSTONE:

S. 690. A bill to amend title XVIII of the Social Security Act to expand and improve coverage of mental health services under the medicare program; to the Committee on Finance.

Mr. WELLSTONE. Mr. President, I rise today to reintroduce the Medicare Mental Health Modernization Act, a bill to improve the delivery of mental health services through the Medicare health care system. This improvement and modernization of mental health services in the Medicare system is long overdue. It has remained virtually unchanged since it was enacted by Congress in 1965. In the 36 years since then, the scientific breakthroughs in our understanding of mental illnesses and the vast improvements in medications and other effective treatments have dramatically changed our understanding and treatment of mental illness. Yet, the health care systems, both public and private, lag behind in the treatment of this potentially life-threatening disease. As we work to improve health care for all Americans, in all health care systems, the ever-growing population of older Americans make it all the more urgent that we bring the Medicare system into the 21st century, and bring mental health care to those in need.

Though often undetected and untreated, mental health problems among the elderly are widespread and life-threatening. Americans aged 65 years and older have the highest rate of suicide of any population in the United States. Sadly, these suicide rates increase with age. While this age group accounts for just 13 percent of the U.S. population, Americans 65 and older account for 20 percent of all suicide deaths. All too often, depression among the elderly is ignored or inappropriately treated. This disease, and other illnesses such as Alzheimer's disease, anxiety and late-life schizophrenia, can lead to severe impairment or death.

Major depression is strikingly prevalent among older people, with between 8 and 20 percent of older people in community-based studies showing symptoms of depression. Studies of patients in primary care settings show that up to 37 percent report such symptoms, although they often go untreated. Depression is not a ''normal'' part of aging, but a serious, debilitating disease. Almost 20 percent of individuals age 55 and older experience a serious mental disorder. What is most alarming is that most elderly suicide victims, 70 percent, have visited their primary care doctor in the month prior to their completed suicide. It is critical that the mental health expertise be provided within the Medicare system, and that screening, diagnosis, and treatment be provided in a timely manner.

Despite this need, Medicare coverage for mental health services is much more expensive for elderly patients than coverage for other outpatient services. In order to receive mental health care, seniors must pay, out of their own pockets, 50 percent of the cost of a visit to their mental health specialist, an extremely unfair burden to place on the elderly, who are so often facing other health or life difficulties as well. For all other health care services, the copayment for Medicare participants is 20 percent, not 50 percent.

We know that substance abuse, particularly of alcohol and prescription drugs, among adults 65 and older is one of the fastest growing health problems in the United States. With seventeen percent of this age group suffers from addiction or substance abuse. While addiction often goes undetected and untreated among older adults, aging and disability only makes the body more vulnerable to the effects of these drugs, further exacerbating underlying health problems, and creating a serious need for treatment that recognizes these vulnerabilities.

Medicare also provides health care coverage for non-elderly individuals who are disabled, through Social Security Disability Insurance, SSDI. According to the Health Care Financing Agency, HCFA, Medicare is the primary health care coverage for the 5 million non-elderly, disabled people on SSDI. More than 20 percent of these individuals have a diagnosis of mental illness and/or addiction, and also face severe discrimination in their mental health coverage.

What will this bill do? The Medicare Mental Health Modernization Act has several important components. First, the bill reduces the 50 percent copayment for mental health care to 20 percent, which makes the copayment equal to every other outpatient service in Medicare. This is straightforward, fair, and the right thing to do. By doing so, this provision will increase access to mental health care overall, especially for those who currently forego seeking treatment and find themselves suffering from worsening mental health conditions. Second, the bill adds intensive residential services to the Medicare mental health benefit package. This provision will give people suffering from diseases such as schizophrenia or Alzheimer's disease an alternative to going to nursing homes. Instead, they will be able to be cared for in their homes or in more appropriate residential settings. I also ask the Secretary for Health and Human Services to conduct a study of the current Medicare coverage criteria to determine the extent to which people with these forms of illnesses are receiving the appropriate care that is needed.

Finally, my bill expands the number of mental health professionals eligible to provide services through Medicare to include clinical social workers and licensed professional mental health counselors. Provision of adequate mental health services provided through Medicare requires more trained and experienced providers for the aging and growing population and should include those who are appropriately licensed and qualified to deliver such care.

These changes are needed now. The bill enjoys the strong support of many mental health groups including, among others, the National Alliance for the Mentally Ill, the National Mental Health Association, theAmerican Psychological Association, the National

Association of School Psychologists, the National Association of Social Workers, the American Association of Geriatric Psychiatry, the Bazelon Center for Mental Health Law, the International Association of Psychosocial Rehabilitation Services, the American Counseling Association, the American Mental Health Counselors Association, the Association for Ambulatory Behavioral Health, the American Association of Marriage and Family Therapists, the National Association of Psychiatric Health Systems, the American Association of Pastoral Counselors, the Association for the Advancement of Psychology, the National Association of County Behavioral Health Directors, the Tourette Syndrome Association, the National Association of Anorexia Nervosa and Associated Disorders, the Suicide Prevention and Advocacy Network, the Suicide Awareness/Voices of Education organization, the American Foundation for Suicide Prevention, the American Association of Suicidology, the Kristin Brooks Hope Center, the The National Hopeline Network 1–800–SUICIDE, the Suicide Prevention Services of Illinois, and the National Resource Center for Suicide Prevention and Aftercare. I commend these organizations and the American Psychiatric Association for their leadership role in fighting for improved mental health care coverage for seniors under Medicare.

U.S. Surgeon General David Satcher recognized the urgency of the problems with Medicare in his recent reports on mental health: ''Mental Health: A Report of the Surgeon General'' and ''The Surgeon General's Call to Action to Prevent Suicide''. Dr. Satcher stated, ''Disability due to mental illness in individuals over 65 years old will become a major public health problem in the near future because of demographic changes. In particular, dementia, depression and schizophrenia, among other conditions, will all present special problems for this age group.'' Dr. Satcher also underscored the life-threatening nature of this problem. He noted that the rate of major clinical depression and the incidence of suicide among senior citizens is alarmingly high. This report cites that about one-half of patients relocated to nursing homes from the community are at greater risk for depression. At the same time, the Surgeon General emphasizes that depression ''is not well-recognized or treated in primary care settings,'' and calls attention to the alarming fact that older people have the highest rates of suicide in the U.S. population. Contrary to what is widely believed, suicide rates actually increase with age, and, as the Surgeon General points out, ''depression is a foremost risk factor for suicide in older adults.''

Clearly, our nation must take steps to ensure that mental health care is easily and readily available under the Medicare program. The Medicare Mental Health Modernization Act of 2001 takes an important first step in that direction. It is time to take this potential fatal illness seriously. I believe we must do everything we can to make effective treatments available in a timely manner for older adults and others covered by Medicare, and help prevent relapse and recurrence once mental illness is diagnosed.

I urge my colleagues to support this bill as we begin our work in this new century. It is time to treat the elderly in our society, particularly those with serious, debilitating diseases, with the care, respect and fairness they deserve. I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 690

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) IN GENERAL.—This Act may be cited as the ''Medicare Mental Health Modernization Act of 2001''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Findings.

TITLE I—ESTABLISHING PARITY FOR MENTAL HEALTH SERVICES

Sec. 101. Elimination of lifetime limit on inpatient mental health services.
Sec. 102. Parity in treatment for outpatient mental health services.

TITLE II—EXPANDING COVERAGE OF COMMUNITY-BASED MENTAL HEALTH SERVICES

Sec. 201. Coverage of intensive residential services.
Sec. 202. Coverage of intensive outpatient services.

TITLE III—IMPROVING BENEFICIARY ACCESS TO MEDICARE-COVERED SERVICES

Sec. 301. Excluding clinical social worker services from coverage under the medicare skilled nursing facility prospective payment system and consolidated payment.
Sec. 302. Coverage of marriage and family therapist services.
Sec. 303. Coverage of mental health counselor services.
Sec. 304. Study of coverage criteria for Alzheimer's disease and related mental illnesses.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Older people have the highest rate of suicide of any population in the United States, and the suicide rate of that population increases with age, with individuals 65 and older accounting for 20 percent of all suicide deaths in the United States, while comprising only 13 percent of the population of the United States.

(2) Disability due to mental illness in individuals over 65 years old will become a major public health problem in the near future because of demographic changes. In particular, dementia, depression, schizophrenia, among other conditions, will all present special problems for this age group.

(3) Major depression is strikingly prevalent among older people, with between 8 and 20 percent of older people in community studies and up to 37 percent of those seen in primary care settings experiencing symptoms of depression.

(4) Almost 20 percent of the population of individuals age 55 and older, experience specific mental disorders that are not part of normal aging.

(5) Unrecognized and untreated depression, Alzheimer's disease, anxiety, late-life schizophrenia, and other mental conditions can be severely impairing and may even be fatal.

(6) Substance abuse, particularly the abuse of alcohol and prescription drugs, among adults 65 and older is one of the fastest growing health problems in the United States, with 17 percent of this age group suffering from addiction or substance abuse. While addiction often goes undetected and untreated among older adults, aging and disability makes the body more vulnerable to the effects of alcohol and drugs, further exacerbating other age-related health problems. Medicare coverage for addiction treatment of the elderly needs to recognize these special vulnerabilities.

(7) The disabled are another population receiving inadequate mental health care through medicare. According to the Health Care Financing Administration, medicare is the primary health care coverage for the 5,000,000 non-elderly, disabled people on Social Security Disability Insurance. Up to 40 percent of these individuals have a diagnosis of mental illness.

(8) The current medicare benefit structure discriminates against the millions of Americans who suffer from mental illness and maintains an outdated bias toward institutionally based service delivery. According to the report of the Surgeon General on mental health for 1999, intensive outpatient services, such as psychiatric rehabilitation and assertive community treatment, represent state-of-the-art mental health services. These evidence-based community support services help people with psychiatric disabilities improve their ability to function in the community and reduce hospitalization rates by 30 to 60 percent, even for people with the most severe mental illnesses.

TITLE I—ESTABLISHING PARITY FOR MENTAL HEALTH SERVICES

SEC. 101. ELIMINATION OF LIFETIME LIMIT ON INPATIENT MENTAL HEALTH SERVICES.

(a) IN GENERAL.—Section 1812 of the Social Security Act (42 U.S.C. 1395d) is amended—

(1) in subsection (b)—

(A) by adding ''and'' at the end of paragraph (1);

(B) by striking ''; and'' at the end of paragraph (2); and

(C) by striking paragraph (3); and

(2) by striking subsection (c).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to items and services furnished on or after January 1, 2002.

SEC. 102. PARITY IN TREATMENT FOR OUTPATIENT MENTAL HEALTH SERVICES.

(a) IN GENERAL.—Section 1833 of the Social Security Act (42 U.S.C. 1395l) is amended by striking subsection (c).

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to items and services furnished on or after January 1, 2002.

TITLE II—EXPANDING COVERAGE OF COMMUNITY-BASED MENTAL HEALTH SERVICES

SEC. 201. COVERAGE OF INTENSIVE RESIDENTIAL SERVICES.

(a) COVERAGE UNDER PART A.—Section 1812(a) of the Social Security Act (42 U.S.C. 1395d(a)) is amended—

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

(2) by striking the period at the end of paragraph (4) and inserting ''; and''; and

(3) by adding at the end the following new paragraph:

''(5) intensive residential services (as defined in section 1861(ww)) furnished to an individual for up to 120 days during any calendar year, except that such services may be furnished to the individual for additional days (not to exceed 20 days) during the year if necessary for the individual to complete a course of treatment.''.

(b) SERVICES DESCRIBED.—Section 1861 of the Social Security Act (42 U.S.C. 1395x), as amended by sections 102(b) and 105(b) of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000, as enacted into law by section 1(a)(6) of Public Law 106–554, is amended by adding at the end the following new subsection:

''Intensive Residential Services

''(ww)(1) Subject to paragraphs (3) and (4), the term 'intensive residential services' means a program of residential services (described in paragraph (2)) that is—

''(A) prescribed by a physician for an individual entitled to benefits under part A who is under the care of the physician; and

''(B) furnished under the supervision of a physician pursuant to an individualized, written plan of treatment established and periodically reviewed by a physician (in consultation with appropriate staff participating in such services), which plan sets forth—

''(i) the individual's diagnosis,

''(ii) the type, amount, frequency, and duration of the items and services provided under the plan, and

''(iii) the goals for treatment under the plan.

In the case of such an individual who is receiving qualified psychologist services (as defined in subsection (ii)), the individual may be under the care of the clinical psychologist with respect to such services under this subsection to the extent permitted under State law.

''(2) The program of residential services described in this paragraph is a nonhospital-based community residential program that furnishes acute mental health services or substance abuse services, or both, on a 24-hour basis. Such services shall include treatment planning and development, medication management, case management, crisis intervention, individual therapy, group therapy, and detoxification services. Such services shall be furnished in any of the following facilities:

''(A) Crisis residential programs or mental illness residential treatment programs.

''(B) Therapeutic family or group treatment homes.

''(C) Residential detoxification centers.

''(D) Residential centers for substance abuse treatment.

''(3) No service may be treated as an intensive residential service under paragraph (1) unless the facility at which the service is provided—

''(A) is legally authorized to provide such service under the law of the State (or under a State regulatory mechanism provided by State law) in which the facility is located or meets such certification requirements that the Secretary may impose; and

''(B) meets such other requirements as the Secretary may impose to assure the quality of the intensive residential services provided.

''(4) No service may be treated as an intensive residential service under paragraph (1) unless the service is furnished in accordance with standards established by the Secretary for the management of such services.''.

(c) AMOUNT OF PAYMENT.—Section 1814 of the Social Security Act (42 U.S.C. 1395f) is amended—

(1) in subsection (b) in the matter preceding paragraph (1), by inserting ''other than intensive residential services,'' after ''hospice care,''; and

(2) by adding at the end the following new subsection:

''Payment for Intensive Residential Services

''(m)(1) The amount of payment under this part for intensive residential services under section 1812(a)(5) shall be equal to an amount specified under a prospective payment system established by the Secretary, taking into account the prospective payment system to be established for psychiatric hospitals under section 124 of the Medicare, Medicaid, and SCHIP Balanced Budget Refinement Act of 1999 (113 Stat. 1501A–332), as enacted into law by section 1000(a)(6) of Public Law 106–113.

''(2) Prior to the date on which the Secretary implements the prospective payment system established under paragraph (1), the amount of payment under this part for such intensive residential services is the reasonable costs of providing such services.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to items and services furnished on or after January 1, 2002.

SEC. 202. COVERAGE OF INTENSIVE OUTPATIENT SERVICES.

(a) COVERAGE.—Section 1832(a)(2) of the Social Security Act (42 U.S.C. 1395k(a)(2)) is amended—

(1) in subparagraph (I), by striking ''and'' at the end;

(2) in subparagraph (J), by striking the period and inserting ''; and''; and

(3) by adding at the end the following new subparagraph:

''(K) intensive outpatient services (as described in section 1861(xx)).''.

(b) SERVICES DESCRIBED.—Section 1861 of the Social Security Act (42 U.S.C. 1395x), as amended by section 202(b), is further amended by adding at the end the following new subsection:

''Intensive Outpatient Services

''(xx)(1) The term 'intensive outpatient services' means the items and services described in paragraph (2) prescribed by a physician and provided within the context described in paragraph (3) under the supervision of a physician (or, to the extent permitted under the law of the State in which the services are furnished, a non-physician mental health professional) pursuant to an individualized, written plan of treatment established by a physician and is reviewed periodically by a physician or, to the extent permitted under the laws of the State in which the services are furnished, a non-physician mental health professional (in consultation with appropriate staff participating in such services), which plan sets forth the patient's diagnosis, the type, amount, frequency, and duration of the items and services provided under the plan, and the goals for treatment under the plan.

''(2)(A) The items and services described in this paragraph the items and services described in subparagraph (B) that are reasonable and necessary for the diagnosis or treatment of the individual's condition, reasonably expected to improve or maintain the individual's condition and functional level and to prevent relapse or hospitalization, and furnished pursuant to such guidelines relating to frequency and duration of services as the Secretary shall by regulation establish (taking into account accepted norms of clinical practice).

''(B) For purposes of subparagraph (A), the items and services described in this paragraph are as follows:

''(i) Psychiatric rehabilitation.

''(ii) Assertive community treatment.

''(iii) Intensive case management.

''(iv) Day treatment for individuals under 21 years of age.

''(v) Ambulatory detoxification.

''(vi) Such other items and services as the Secretary may provide (but in no event to include meals and transportation).

''(3) The context described in this paragraph for the provision of intensive outpatient services is as follows:

''(A) Such services are furnished in a facility, home, or community setting.

''(B) Such services are furnished—

''(i) to assist the individual to compensate for, or eliminate, functional deficits and interpersonal and environmental barriers created by the disability; and

''(ii) to restore skills to the individual for independent living, socialization, and effective life management.

''(C) Such services are furnished by an individual or entity that—

''(i) is legally authorized to furnish such services under State law (or the State regulatory mechanism provided by State law) or meets such certification requirements that the Secretary may impose; and

''(ii) meets such other requirements as the Secretary may impose to assure the quality of the intensive outpatient services provided.''.

(c) PAYMENT.—

(1) IN GENERAL.—With respect to intensive outpatient services (as defined in section 1861(xx)(1) of the Social Security Act (as added by subsection (b)) furnished under the medicare program, the amount of payment under such Act for such services shall be 80 percent of—

(A) during 2002 and 2003, the reasonable costs of furnishing such services; and

(B) on or after January 1, 2004, the amount of payment established for such services under the prospective payment system established by the Secretary under paragraph (2) for such services.

(2) ESTABLISHMENT OF PPS.—

(A) IN GENERAL.—With respect to intensive outpatient services (as defined in section 1861(xx)(1) of the Social Security Act (as added by subsection (b)) furnished under the medicare program on or after January 1, 2004, the Secretary of Health and Human Services shall establish a prospective payment system for payment for such services. Such system shall include an adequate patient classification system that reflects the differences in patient resource use and costs, shall provide for an annual update to the rates of payment established under the system.

(B) ADJUSTMENTS.—In establishing the system under subparagraph (A), the Secretary shall provide for adjustments in the prospective payment amount for variations in wage and wage-related costs, case mix, and such other factors as the Secretary determines appropriate.

(C) COLLECTION OF DATA AND EVALUATION.—In developing the system described in subparagraph (A), the Secretary may require providers of services under the medicare program to submit such information to the Secretary as the Secretary may require to develop the system, including the most recently available data.

(D) REPORTS TO CONGRESS.—Not later than October 1 of each of 2002 and 2003, the Secretary shall submit to Congress a report on the progress of the Secretary in establishing the prospective payment system under this paragraph.

(d) CONFORMING AMENDMENTS.—(1) Section 1835(a)(2) of the Social Security Act (42 U.S.C. 1395n(a)(2)) is amended—

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

(B) in subparagraph (F), by striking the period and inserting ''; and

(C) by inserting after subparagraph (F) the following new subparagraph:

''(G) in the case of intensive outpatient services, (i) that those services are reasonably expected to improve or maintain the individual's condition and functional level and to prevent relapse or hospitalization, (ii) an individualized, written plan for furnishing such services has been established by a physician and is reviewed periodically by a physician or, to the extent permitted under the laws of the State in which the services are furnished, a non-physician mental health professional, and (iii) such services are or were furnished while the individual is or was under the care of a physician or, to the extent permitted under the law of the State in which the services are furnished, a non-physician mental health professional.''.

(2) Section 1861(s)(2)(B) of such Act (42 U.S.C. 1395x(s)(2)(B)) is amended by inserting ''and intensive outpatient services'' after ''partial hospitalization services''.

(3) Section 1861(ff)(1) of such Act (42 U.S.C. 1395x(ff)(1)) is amended—

(A) by inserting ''or, to the extent permitted under the law of the State in which the services are furnished, a non-physician mental health professional,'' after ''under the supervision of a physician'' and after ''periodically reviewed by a physician''; and

(B) by striking ''physician's'' and inserting ''patient's''.

(4) Section 1861(cc) of such Act (42 U.S.C. 1395x(cc)) is amended—

(A) in paragraph (1), by striking ''physician—'' and inserting ''physician or, to the extent permitted under the law of the State in which the services are furnished, a non-physician mental health professional—'' and

(B) in paragraph (2)(E), by inserting before the semicolon the following: '', except that a patient receiving social and psychological services under paragraph (1)(D) may be under the care of a non-physician mental health professional with respect to such services to the extent permitted under the law of the State in which the services are furnished''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to items and services furnished on or after January 1, 2002.

TITLE III—IMPROVING BENEFICIARY ACCESS TO MEDICARE-COVERED SERVICES

SEC. 301. EXCLUDING CLINICAL SOCIAL WORKER SERVICES FROM COVERAGE UNDER THE MEDICARE SKILLED NURSING FACILITY PROSPECTIVE PAYMENT SYSTEM AND CONSOLIDATED PAYMENT.

(a) IN GENERAL.—Section 1888(e)(2)(A)(ii) of the Social Security Act (42 U.S.C. 1395yy(e)(2)(A)(ii)) is amended by inserting ''clinical social worker services,'' after ''qualified psychologist services,''.

(b) CONFORMING AMENDMENT.—Section 1861(hh)(2) of the Social Security Act (42 U.S.C. 1395x(hh)(2)) is amended by striking ''and other than services furnished to an inpatient of a skilled nursing facility which the facility is required to provide as a requirement for participation''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to items and services furnished on or after January 1, 2002.

SEC. 302. COVERAGE OF MARRIAGE AND FAMILY THERAPIST SERVICES.

(a) COVERAGE OF SERVICES.—Section 1861(s)(2) of the Social Security Act (42 U.S.C. 1395x(s)(2)), as amended by sections 102(a) and 105(a) of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000, as enacted into law by section 1(a)(6) of Public Law 106–554, is amended—

(1) by striking ''and'' at the end of subparagraph (U);

(2) by inserting ''and'' at the end of subparagraph (V); and

(3) by adding at the end the following new subparagraph:

''(W) marriage and family therapist services (as defined in subsection (yy));''.

(b) DEFINITION.—Section 1861 of the Social Security Act (42 U.S.C. 1395x), as amended by sections 201(b) and 202(b), is further amended by adding at the end the following new subsection:

''Marriage and Family Therapist Services

''(yy)(1) The term 'marriage and family therapist services' means services performed by a marriage and family therapist (as defined in paragraph (2)) for the diagnosis and treatment of mental illnesses, which the marriage and family therapist is legally authorized to perform under State law (or the State regulatory mechanism provided by State law) of the State in which such services are performed provided such services are covered under this title, as would otherwise be covered if furnished by a physician or as incident to a physician's professional service, but only if no facility or other provider charges or is paid any amounts with respect to the furnishing of such services.

''(2) The term 'marriage and family therapist' means an individual who—

''(A) possesses a master's or doctoral degree which qualifies for licensure or certification as a marriage and family therapist pursuant to State law;

''(B) after obtaining such degree has performed at least two years of clinical supervised experience in marriage and family therapy; and

''(C) is licensed or certified as a marriage and family therapist in the State in which marriage and family therapist services are performed.''.

(c) PROVISION FOR PAYMENT UNDER PART B.—Section 1832(a)(2)(B) of the Social Security Act (42 U.S.C. 1395k(a)(2)(B)) is amended by adding at the end the following new clause:

''(v) marriage and family therapist services;''.

(d) AMOUNT OF PAYMENT.—

(1) IN GENERAL.—Section 1833(a)(1) of the Social Security Act (42 U.S.C. 1395l(a)(1)), as amended by sections 105(c) and 223(c) of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000, as enacted into law by section 1(a)(6) of Public Law 106–554, is amended—

(A) by striking ''and'' before ''(U)''; and

(B) by inserting before the semicolon at the end the following: '', and (V) with respect to marriage and family therapist services under section 1861(s)(2)(W), the amounts paid shall be 80 percent of the lesser of (i) the actual charge for the services or (ii) 75 percent of the amount determined for payment of a psychologist under clause (L)''.

(2) DEVELOPMENT OF CRITERIA WITH RESPECT TO CONSULTATION WITH A PHYSICIAN.—The Secretary of Health and Human Services shall, taking into consideration concerns for patient confidentiality, develop criteria with respect to payment for marriage and family therapist services for which payment may be made directly to the marriage and family therapist under part B of title XVIII of the Social Security Act under which such a therapist must agree to consult with a patient's attending or primary care physician in accordance with such criteria.

(e) EXCLUSION OF MARRIAGE AND FAMILY THERAPIST SERVICES FROM SKILLED NURSING FACILITY PROSPECTIVE PAYMENT SYSTEM.—Section 1888(e)(2)(A)(ii) of the Social Security Act (42 U.S.C. 1395yy(e)(2)(A)(ii)), as amended in section 301(a), is further amended by inserting ''marriage and family therapist services (as defined in subsection (yy)(1)),'' after ''clinical social worker services,''.

(f) COVERAGE OF MARRIAGE AND FAMILY THERAPIST SERVICES PROVIDED IN RURAL HEALTH CLINICS AND FEDERALLY QUALIFIED HEALTH CENTERS.—Section 1861(aa)(1)(B) of the Social Security Act (42 U.S.C. 1395x(aa)(1)(B)) is amended by striking ''or by a clinical social worker (as defined in subsection (hh)(1)),,'' and inserting '', by a clinical social worker (as defined in subsection (hh)(1)), or by a marriage and family therapist (as defined in subsection (yy)(2)),''.

(g) INCLUSION OF MARRIAGE AND FAMILY THERAPISTS AS PRACTITIONERS FOR ASSIGNMENT OF CLAIMS.—Section 1842(b)(18(C) of the Social Security Act (42 U.S.C. 1395u(b)(18)(C)), as amended by section 105(d) of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000, as enacted into law by section 1(a)(6) of Public Law 106–554, is amended by adding at the end the following new clause:

''(vii) A marriage and family therapist (as defined in section 1861(yy)(2)).''.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to items and services furnished on or after January 1, 2002.

SEC. 303. COVERAGE OF MENTAL HEALTH COUNSELOR SERVICES.

(a) COVERAGE OF SERVICES.—Section 1861(s)(2) of the Social Security Act (42 U.S.C. 1395x(s)(2)), as amended in section 302(a), is further amended—

(1) by striking ''and'' at the end of subparagraph (V);

(2) by inserting ''and'' at the end of subparagraph (W); and

(3) by adding at the end the following new subparagraph:

''(X) mental health counselor services (as defined in subsection (zz)(2));''.

(b) DEFINITION.—Section 1861 of the Social Security Act (42 U.S.C. 1395x), as amended by sections 201(b), 202(b), and 302(b), is further amended by adding at the end the following new subsection:

''Mental Health Counselor; Mental Health Counselor Services

''(zz)(1) The term 'mental health counselor' means an individual who—

''(A) possesses a master's or doctor's degree in mental health counseling or a related field;

''(B) after obtaining such a degree has performed at least 2 years of supervised mental health counselor practice; and

''(C) is licensed or certified as a mental health counselor or professional counselor by the State in which the services are performed.

''(2) The term 'mental health counselor services' means services performed by a mental health counselor (as defined in paragraph (1)) for the diagnosis and treatment of mental illnesses which the mental health counselor is legally authorized to perform under State law (or the State regulatory mechanism provided by the State law) of the State in which such services are performed provided such services are covered under this title as would otherwise be covered if furnished by a physician or as incident to a physician's professional service, but only if no facility or other provider charges or is paid any amounts with respect to the furnishing of such services.''.

(c) PAYMENT.—

(1) IN GENERAL.—Section 1833(a)(1) of the Social Security Act (42 U.S.C. 13951(a)(1)), as amended by section 302(d), is further amended—

(A) by striking ''and'' before ''(V)''; and

(B) by inserting before the semicolon at the end the following: '', and (W) with respect to mental health counselor services

under section 1861(s)(2)(X), the amounts paid shall be 80 percent of the lesser of (i) the actual charge for the services or (ii) 75 percent of the amount determined for payment of a psychologist under clause (L)''.

(2) DEVELOPMENT OF CRITERIA WITH RESPECT TO CONSULTATION WITH A PHYSICIAN.—The Secretary of Health and Human Services shall, taking into consideration concerns for patient confidentiality, develop criteria with respect to payment for mental health counselor services for which payment may be made directly to the mental health counselor under part B of title XVIII of the Social Security Act under which such a counselor must agree to consult with a patient's attending or primary care physician in accordance with such criteria.

(d) EXCLUSION OF MENTAL HEALTH COUNSELOR SERVICES FROM SKILLED NURSING FACILITY PROSPECTIVE PAYMENT SYSTEM.—Section 1888(e)(2)(A)(ii) of the Social Security Act (42 U.S.C. 1395yy(e)(2)(A)(ii)), as amended by sections 301(a) and 302(e), is further amended by inserting ''mental health counselor services (as defined in section 1861(zz)(2)),'' after ''marriage and family therapist services (as defined in subsection (yy)(1)),''.

(e) COVERAGE OF MENTAL HEALTH COUNSELOR SERVICES PROVIDED IN RURAL HEALTH CLINICS AND FEDERALLY QUALIFIED HEALTH CENTERS.—Section 1861(aa)(1)(B) of the Social Security Act (42 U.S.C. 1395x(aa)(1)(B)), as amended by section 302(f), is further amended—

(1) by striking ''or'' before ''marriage and family therapist services''; and

(2) by inserting ''or mental health counselor services (as defined in section 1861(zz)(2)),'' after ''marriage and family therapist services (as defined in subsection (yy)(1)),''.

(f) INCLUSION OF MENTAL HEALTH COUNSELORS AS PRACTITIONERS FOR ASSIGNMENT OF CLAIMS.—Section 1842(b)(18)(C) of the Social Security Act (42 U.S.C. 1395u(b)(18)(C)), as amended by section 302(g), is further amended by adding at the end the following new clause:

''(viii) A mental health counselor (as defined in section 1861(zz)(1)).''.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to items and services furnished on or after January 1, 2002.

SEC. 304. STUDY OF COVERAGE CRITERIA FOR ALZHEIMER'S DISEASE AND RELATED MENTAL ILLNESSES.

(a) STUDY.—

(1) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall conduct a study to determine whether the criteria for coverage of any therapy service (including occupational therapy services and physical therapy services) or any outpatient mental health care service under the medicare program under title XVIII of the Social Security Act unduly restricts the access of any medicare beneficiary who has been diagnosed with Alzheimer's disease or a related mental illness to such a service because the coverage criteria requires the medicare beneficiary to display continuing clinical improvement to continue to receive the service.

(2) DETERMINATION OF NEW COVERAGE CRITERIA.—If the Secretary determines that the coverage criteria described in paragraph (1) unduly restricts the access of any medicare beneficiary to the services described in such paragraph, the Secretary shall identify alternative coverage criteria that would permit a medicare beneficiary who has been diagnosed with Alzheimer's disease or a related mental illness to receive coverage for health care services under the medicare program that are designed to control symptoms, maintain functional capabilities, reduce or deter deterioration, and prevent or reduce hospitalization of the beneficiary.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to the committees of jurisdiction of Congress a report on the study conducted under subsection (a) together with such recommendations for legislative and administrative action as the Secretary determines appropriate.

By Mr. REID (for himself and Mr. ENSIGN):

S. 691. A bill to direct the Secretary of Agriculture to convey certain land in the Lake Tahoe Basin Management Unit, Nevada, to the Secretary of the Interior, in trust for the Washoe Indian Tribe of Nevada and California; to the Committee on Energy and Natural Resources.

Mr. REID. Mr. President, I rise today to introduce the Washoe Tribe Lake Tahoe Access Act.

I introduced this bill in the 106th Congress, and it passed in the Senate with unanimous consent. The bill subsequently passed the House with unrelated amendments. Unfortunately, due to a shortage of time, the two versions of the bill were never reconciled and neither version became law. Although the bill was introduced just last year, it has a much longer history to it. In 1997, I help convene a Presidential Forum to discuss the future of the Lake Tahoe basin. A diverse group of Federal, State, and local government leaders addressed the challenges facing the extraordinary natural, recreational, and ecological resources of the Lake Tahoe region. Goals and an action plan developed during the Lake Tahoe Forum were codified as ''Presidential Forum Deliverables''. These Deliverables include a commitment to support the traditional and customary use of the Lake Tahoe basin by the Washoe Tribe. Perhaps, most importantly, the Deliverables include a provision designed to provide the Washoe Tribe access to the shore of Lake Tahoe for cultural purposes.

The ancestral homeland of the Washoe Tribe of Nevada and California included an area of over 5,000 square miles in and around the Lake Tahoe basin. The purpose of this Act is to ensure that the members of the Washoe Tribe have the opportunity to engage in traditional and customary cultural practices on the shore of Lake Tahoe including spiritual renewal, land stewardship, Washoe horticultural and ethno-botany, subsistence gathering, traditional learning, and reunification of tribal and family bonds forever. The parties that participated in the Lake Tahoe Presidential Forum endorsed this important bill, and nearly four years later, the concept embodied by this bill continues to enjoy broad support. For example, the Lake Tahoe Gaming Alliance had indicated its support for this bill. The lands conveyed by this bill to the Washoe Tribe would be managed in accordance with the Lake Tahoe Regional Plan, and would not preclude or hinder public access around the lake.

This act will convey 24.3 acres from the Secretary of Agriculture to the Secretary of the Interior to be held in trust for the Washoe Tribe. This is land located within the Lake Tahoe Management Unit north of Skunk Harbor, Nevada. The land in question would be conveyed with the expectation that it would be used for traditional and customary uses, and stewardship conservation of the Washoe Tribe, and will not permit any commercial use. The provision of this bill prohibiting development of this land was specifically requested by leaders of the Washoe Tribe. The bill provides that if the Tribe attempts to exploit the land for any commercial development purpose, title to the land will revert to the Secretary of Agriculture. Again this is a safeguard, not just agreed to by the Washoe Tribe, but suggested by them. Finally, I would like to highlight the fact that Senator ENSIGN of Nevada joins me today to introduce this important bill. I know that Senator ENSIGN values the wonders of Lake Tahoe, and his support for this bill will help ensure that the Washoe Tribe will one day call the shores of Lake Tahoe home once again.

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

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

S. 691

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

SECTION 1. WASHOE TRIBE LAND CONVEYANCE.

(a) FINDINGS.—Congress finds that—

(1) the ancestral homeland of the Washoe Tribe of Nevada and California (referred to in this Act as the ''Tribe'') included an area of approximately 5,000 square miles in and around Lake Tahoe, California and Nevada, and Lake Tahoe was the heart of the territory;

(2) in 1997, Federal, State, and local governments, together with many private landholders, recognized the Washoe people as indigenous people of Lake Tahoe Basin through a series of meetings convened by those governments at 2 locations in Lake Tahoe;

(3) the meetings were held to address protection of the extraordinary natural, recreational, and ecological resources in the Lake Tahoe region;

(4) the resulting multiagency agreement includes objectives that support the traditional and customary uses of National Forest System land by the Tribe; and

(5) those objectives include the provision of access by members of the Tribe to the shore of Lake Tahoe in order to reestablish traditional and customary cultural practices.

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

(1) to implement the joint local, State, tribal, and Federal objective of returning the Tribe to Lake Tahoe; and

(2) to ensure that members of the Tribe have the opportunity to engage in traditional and customary cultural practices on the shore of Lake Tahoe to meet the needs of spiritual renewal, land stewardship, Washoe horticulture and ethnobotany, subsistence gathering, traditional learning, and reunification of tribal and family bonds.

(c) CONVEYANCE ON CONDITION SUBSEQUENT.—Subject to valid existing rights, the easement reserved under subsection (d), and the condition stated in subsection (e), the Secretary of Agriculture shall convey to the Secretary of the Interior, in trust for the Tribe, for no consideration, all right, title, and interest in the parcel of land comprising approximately 24.3 acres, located within the Lake Tahoe Basin Management Unit north of Skunk Harbor, Nevada, and more particularly described as Mount Diablo Meridian, T15N, R18E, section 27, lot 3.

(d) EASEMENT.—

(1) IN GENERAL.—The conveyance under subsection (c) shall be made subject to reservation to the United States of a nonexclusive easement for public and administrative access over Forest Development Road #15N67 to National Forest System land, to be administered by the Secretary of Agriculture.

(2) ACCESS BY INDIVIDUALS WITH DISABILITIES.—The Secretary of Agriculture shall provide a reciprocal easement to the Tribe permitting vehicular access to the parcel over Forest Development Road #15N67 to—

(A) members of the Tribe for administrative and safety purposes; and

(B) members of the Tribe who, due to age, infirmity, or disability, would have difficulty accessing the conveyed parcel on foot.

(e) CONDITION ON USE OF LAND.—

(1) IN GENERAL.—In using the parcel conveyed under subsection (c), the Tribe and members of the Tribe—

(A) shall limit the use of the parcel to traditional and customary uses and stewardship conservation for the benefit of the Tribe;

(B) shall not permit any permanent residential or recreational development on, or commercial use of, the parcel (including commercial development, tourist accommodations, gaming, sale of timber, or mineral extraction); and

(C) shall comply with environmental requirements that are no less protective than environmental requirements that apply under the Regional Plan of the Tahoe Regional Planning Agency.

(2) TERMINATION AND REVERSION.—If the Secretary of the Interior, after notice to the Tribe and an opportunity for a hearing, based on monitoring of use of the parcel by the Tribe, makes a finding that the Tribe has used or permitted the use of the parcel in violation of paragraph (1) and the Tribe fails to take corrective or remedial action directed by the Secretary of the Interior—

(A) title to the parcel in the Secretary of the Interior, in trust for the Tribe, shall terminate; and

(B) title to the parcel shall revert to the Secretary of Agriculture.

By Mr. HELMS:

S. 692. A bill to issue a certificate of documentation for the vessel *Eagle:* to the Committee on Commerce, Science, and Transportation.

Mr. HELMS. Mr. President, today I sending to the desk S. 692, a bill that would grant a waiver of the so-called Jones Act to the Scour Barge *Eagle*, a ship owned by the State of North Carolina. Enactment of this essential legislation will enable the *Eagle* to clear silt buildup on the river bottom along the dock and wharf facilities of the North Carolina State Ports Authority.

The Scour Barge *Eagle* is an old U.S. Army barge outfitted with a pump and pipe system, commonly known as a ''scour jet.'' The ship directs pressured water at silt build-up points along areas adjacent to the docking facilities of the North Carolina State Ports Authority in Wilmington. Proper drafts at berths along the docking facilities must be maintained in order for ships to on-load and off-load cargo, especially bulk cargos.

While it is clearly documented that the Scour Barge *Eagle* was built by Peden Steel Company in Raleigh, around 1943, this legislation is nevertheless essential because the State of North Carolina is unable to establish a continuous title chain. In the past Congress has passed similar legislation to grant Jones Act waivers so that similar vessels could operate in the coastwise trades.

Mr. President, a bill identical to the one I'm offering today was incorporated into S. 1089, the Coast Guard Authorization Act of 2000, which the Senate approved by unanimous consent last year. The House failed to pass the Senate bill, making it necessary to reintroduce this bill as I am doing today.

I do hope that the Senate will swiftly adopt this legislation. I ask unanimous consent that a copy of the text of this bill be printed in the RECORD.

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

S. 692

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

SECTION 1. CERTIFICATE OF DOCUMENTATION FOR THE EAGLE.

Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 U.S.C. App. 883), chapter 121 of title 46, United States Code, and section 1 of the Act of May 28, 1906 (46 U.S.C. App. 292), the Secretary of Transportation shall issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel EAGLE (hull number BK–1754, United States official number 1091389) if the vessel—

(1) is owned by a State, a political subdivision of a State, or a public authority chartered by a State;

(2) if chartered, is chartered to a State, a political subdivision of a State, or a public authority chartered by a State;

(3) is operated only in conjunction with—

(A) scour jet operations; or

(B) dredging services adjacent to facilities owned by the State, political subdivision, or public authority; and

(4) is externally identified clearly as a vessel of that State, subdivision, or authority.

By Mr. GRASSLEY (for himself, Mr. BREAUX, and Mr. BURNS):

S. 693. A bill to amend the Social Security Act to provide additional safeguards for beneficiaries with representative payees under the Old-Age, Survivors, and Disability Insurance program or the Supplemental Security Income program; to the Committee on Finance.

Mr. GRASSLEY. Mr. President, I rise today to introduce legislation aimed at protecting Social Security benefits of some of the most vulnerable people in our society.

Today, I am introducing, along with my colleagues Senator BREAUX and Senator BURNS, the Social Security Beneficiaries Protection Act of 2001. This legislation, identical to legislation introduced in the 106th Congress, is meant to provide additional safeguards for beneficiaries with organizational representative payees. Sometimes, beneficiaries are not capable of managing their benefits on their own. Usually, in these situations, a family member or close friend manages their benefits for them. However, there are those who, for whatever reason, don't have family or friends who are able to act as the representative payee. In those cases an organizational representative payee can handle their benefit checks.

Approximately, 750,000 Social Security beneficiaries have an organization handling their monthly checks. These organizations include social service agencies, banks and hospitals. Most of these organizations provide a much needed service.

However, in the spring of last year, the Senate Special Committee on Aging, which I chaired at the time, held a hearing examining the fraudulent misuse of benefits by some organizational representative payees. The hearing highlighted the findings of an investigation conducted by the Social Security Administration's, SSA, Office of Inspector General, OIG. James Huse, Inspector General for SSA testified that since fiscal year 1998 the Social Security Administration has identified over $7.5 million in losses to beneficiaries. In several of those cases, hundreds of individuals were victims of severe abuses by organizational representative payees.

Another witness at the hearing, Ms. Betty Byrd testified to the hardship that is placed on a beneficiary who is the victim of a dishonest representative payee. Ms. Byrd was 70 years old and required a representative payee because of an extended hospital stay 100 miles from her home, followed by placement in an assisted living facility. Her fee-for-service organizational representative payee, Greg Gamble, was responsible for collecting Ms. Byrd's benefits and paying her utility bills, medical expenses, and rent. However, Mr. Gamble had his own ideas for how to spend Ms. Byrd's money. He stopped paying her rent and as a result she was forced to sell her trailer. The power was turned off because he stopped paying her utility bills. Her care facility informed her that Mr. Gamble was several months behind on her payments. The nursing home threatened to evict her. In her own words she was left, ''almost homeless, without medical care, and in serious financial trouble.'' Mr. Gamble was caught and pled guilty to using his clients' benefits for his own purposes. He has agreed to pay back $303,314.

The primary purpose of this legislation, which is based on recommendations by Social Security Administration Office of Inspector General, is to provide immediate relief to victims of representative payee fraud. By providing SSA with the authority to re-

issue benefits victims would be made whole again.

This legislation would also provide for additional accountability by payees to the SSA in an effort to prevent abuses from taking place in the future. While the Social Security Administration does have a selection process in place, it needs strengthening.

The Social Security Beneficiaries Protection Act of 2001 would require that non-governmental fee-for-service organizational representative payees be licensed and bonded. Under current law, an organization representative payee is only required to get one or the other.

For any month in which the Social Security Commissioner or the courts have determined that an organizational representative payee misused all or part of an individual's benefits he or she would be required to forfeit the fees. The legislation would also make the representative payee liable for any misused benefits.

Ms. Byrd's story demonstrates there is a need for stronger safeguards to protect the elderly and disabled who require an organizational representative payee. I urge my colleagues to cosponsor this important legislation and help protect the most vulnerable Social Security beneficiaries.

By Mr. LEAHY (for himself, Mr. BENNETT, Mr. LIEBERMAN, Mr. DODD, Mr. COCHRAN, Mrs. LINCOLN, Mr. REID, and Mr. DOMENICI):

S. 694. A bill to amend the Internal Revenue Code of 1986 to provide that a deduction equal to fair market value shall be allowed for charitable contributions of literary, musical, artistic, or scholarly compositions created by the donor; to the Committee on Finance.

Mr. LEAHY. Mr. President, I rise today to introduce legislation, the Artist-Museum Partnership Act, to enable our country to keep cherished art works in the United States and to preserve them in our public institutions, while erasing an inequity in our tax code that currently serves as a disincentive for artists to donate their works to museums and libraries. This is the same bill I introduced last year with my colleagues Senator BENNETT and Senator LIEBERMAN. I would like to thank them for their leadership in this area and also to thank Senators DODD, COCHRAN, LINCOLN, REID, and DOMENICI for cosponsoring this bipartisan bill.

In a nutshell, our bill would allow artists, writers and composers who donate works to museums and libraries to take a tax deduction equal to the fair market value of the work. This is something that collectors who make similar donations are already able to do. If we as a nation want to ensure that art works created by living artists are available to the public in the future, for study or for pleasure, it is something that artists should be allowed to do as well. Under current law, artists who donate self-created works are only able to deduct the cost of supplies such as canvas, pen, paper, ink, which does not even come close to their true value. This is unfair to artists and it hurts museums and libraries, large and small, that are dedicated to preserving works for posterity.

In my State of Vermont, we are incredibly proud of the great works produced by hundreds of local artists who choose to live and work in the Green Mountain State. Displaying their creations in museums and libraries helps develop a sense of pride among Vermonters and strengthens a bond with Vermont, its landscape, its beauty and its cultural heritage. Anyone who has gazed at a painting in a museum or examined an original manuscript or composition, and has gained a greater understanding of both the artist and the subject as a result, knows the tremendous value of these works. I would like to see more of them, not fewer, preserved in Vermont and across the country.

Prior to 1969, artists and collectors alike were able to take a deduction equivalent to the fair market value of a work, but Congress changed the law with respect to artists in the Tax Reform Act of 1969. Since then, fewer and fewer artists have donated their works to museums and cultural institutions. The sharp decline in donations to the Library of Congress clearly illustrates this point. Until 1969, the Library of Congress received 15 to 20 large gifts of manuscripts from authors each year. In the four years following the elimination of the deduction, the library received only one such gift. Instead, many of these works have been sold to private collectors, and are no longer available to the general public.

For example, prior to the enactment of the 1969 law, Igor Stravinsky planned to donate his papers to the Music Division of the Library of Congress. But after the law passed, his papers were sold instead to a private foundation in Switzerland. We can no longer afford this massive loss to our cultural heritage. This loss was an unintended consequence of the tax bill that should now be corrected.

More than 30 years ago, Congress changed the law for artists in response to the perception that some taxpayers were taking advantage of the law by inflating the market value of self-created works. Since that time, however, the government has cut down significantly on the abuse of fair market value determinations. Under this legislation, artists who donate their own paintings, manuscripts, compositions, or scholarly compositions, would be subject to the same new rules that all taxpayer/collectors who donate such works must now follow. This includes providing relevant information as to the value of the gift, providing appraisals by qualified appraisers, and, in some cases, subjecting them to review by the Internal Revenue Service's Art Advisory Panel.

In addition, donated works must be accepted by museums and libraries, which often have strict criteria in place for works they intend to display. The institutions must also certify that it intends to put the work to a use that is related to the institution's tax exempt status. For example, a painting contributed to an educational institution must be used by that organization for educational purposes. It could not be sold by the institution for profit. Similarly, a work could not be donated to a hospital or other charitable institution that did not intend to use the work in a manner related to the function constituting the donee's exemption under Section 501 of the tax code. Finally, the fair market value of the work could only be deducted from the portion of the artist's income that has come from the sale of similar works, or related activities.

This bill would also correct another disparity in the tax treatment of self-created works—how the same work is treated before and after an artist's death. While living artists may only deduct the material costs of donations, donations of those same works after death are deductible from estate taxes at the fair market value of the work. In addition, when an artist dies, works that are part of his or her estate are taxed on the fair market value.

Last year, the Joint Committee on Taxation estimated that our bill would cost $48 million over 10 years. This is a moderate price to pay for our education and the preservation of our cultural heritage. The time has come for us to correct an unintended consequence of the 1969 law and encourage rather than discourage the donations of art works by their creators. This bill could, and I believe would, make a critical difference in an artist's decision to donate his or her work, rather than sell it to a private party, where it may become lost to the public forever.

I want to thank my colleagues again for cosponsoring this bipartisan legislation. I also ask unanimous consent to have printed in the RECORD letters from the Association of Art Museum Directors, The Museum of Fine Arts, Houston, the Theatre Communications Group, Inc., and the Whitney Museum of American Art in support of this bill.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WHITNEY MUSEUM OF AMERICAN ART,
New York, NY, April 3, 2001.

Senator PATRICK LEAHY,
Senator ROBERT BENNETT,
U.S. Senate,
Washington, DC.

DEAR SENATORS LEAHY AND BENNETT: On behalf of the staff and Board of Trustees of the Whitney Museum of American Art, I thank you for introducing the ''Artist-Museum Partnership Act''. This legislation, which would allow artists, writers and composers to deduct the fair-market value of a contribution of their own work to a charitable institution, will benefit museums, and their visitors, across the country.

As a result of changes to the tax code of 1969, visual artists, writers and composers

can no longer take a deduction based on the fair-market value of a contribution of their own work. The artists' deduction is limited to the cost of materials in preparing the work—in the case of a visual artist, canvas and paint. However, a collector, making an identical donation, may take the fair-market value deduction for the work. Once the artist dies, his or her spouse may donate the work for a fair-market value deduction. In addition, works of art left to an artist's estate are evaluated at the fair-market value for purposes of determining estate taxes.

Since the 1969 repeal, contributions to museum and libraries by living artists and writers have all but disappeared, depriving the public of access to its cultural heritage. Many of these pieces are sold abroad or into private collections and never seen again.

Thank you again for your continued support of artists and arts institutions in this country. We are all deeply appreciative.

Sincerely,

MAXWELL L. ANDERSON.

THEATRE COMMUNICATIONS GROUP, INC.,
New York, NY, April 4, 2001.

Senator PATRICK LEAHY,
Senator ROBERT BENNETT,
U.S. Senate,
Washington, DC.

DEAR SENATORS LEAHY AND BENNETT: On behalf of Theatre Communications Group—the national service organization for the American theatre—and the 384 not-for-profit theatres across the country that comprise our membership and which present performances to a combined annual attendance of more than 17 million people, I thank you for introducing the ''Artist-Museum Partnership Act''. This legislation, which would allow artists, writers and composers to deduct the fair-market value of a contribution of their own work to a charitable institution, is fully supported by Theatre Communications Group, which endorses its passage.

As a result of changes to the tax code of 1969, visual artists, writers and composers can no longer take a deduction based on the fair-market value of a contribution of their own work. The artists' deduction is limited to the cost of materials in preparing the work—in the case of a visual artist, canvas and paint. However, a collector, making an identical donation, may take the fair-market value deduction for the work. Once the artist dies, his or her spouse may donate the work for a fair-market value deduction. In addition, works of art left to an artist's estate are evaluated at the fair-market value for purposes of determining estate taxes.

Since the 1969 repeal, contributions to museums and libraries by living artists and writers have all but disappeared, depriving the public of access to its cultural heritage. Many of these pieces are sold abroad or into private collections and never seen again.

Thank you again for your continued support of artists and arts institutions in this country.

Sincerely,

BEN CAMERON,
Executive Director.

ASSOCIATION OF ART MUSEUM DIRECTORS,
New York, NY, April 4, 2001.

Senator PATRICK LEAHY,
Senator ROBERT BENNETT,
U.S. Senate
Washington, DC.

DEAR SENATORS LEAHY and BENNETT: On behalf of the Association of Art Museum Directors (AAMD), founded in 1916 and representing 170 art museums nationwide, I thank you for introducing the ''Artist-Museum Partnership Act''. This legislation, which would allow artists, writers and composers to deduct the fair-market value of a contribution of their own work to a charitable institution, is fully supported by the AAMD, which endorses its passage.

As a result of changes to the tax code of 1969, visual artists, writers and composers can no longer take a deduction based on the fair-market value of contribution of their own work. The artists' deduction is limited to the cost of materials in preparing the work—in the case of a visual artist, canvas and paint. However, a collector, making an identical donation, may take the fair-market value deduction for the work. Once the artist dies, his or her spouse may donate the work for a fair-market value deduction. In addition, works of art left to an artist's estate are evaluated at the fair-market value for purposes of determining estate taxes.

Since the 1969 repeal, contributions to museum and libraries by living artists and writers have all but disappeared, depriving the public of access to its cultural heritage. Many of these prices are sold abroad or into private collections and never seen again.

Thank you again for your continued support of artists and arts institutions in this country.

Sincerely,

MILLICENT HALL GAUDIERI,
Executive Director.

THE MUSEUM OF FINE ARTS, HOUSTON,
Houston, TX, March 28, 2001.

Senator ROBERT BENNETT,
Senator PATRICK LEAHY,
U.S. Senate
Washington, DC.

DEAR SENATORS BENNETT AND LEAHY: On behalf of the Trustees of the Museum of Fine Arts, Houston, I would like to express my appreciation to you for introducing the ''Artist-museum Partnership Act.'' The legislation is long overdue and will be useful to museums in soliciting original works of art from artists. May museums do not have funds to purchase art and must rely on donations. Since 1969, when the law was repealed that allowed artists to take a fair-market value deduction, contributions from living artists to museums has dramatically decreased.

Many important works by regional or ethnic artists are sold rather than donated because the majority of artists simply cannot afford to donate their works when they can only take a deduction equal to the cost of materials. The bill you have drafted is an important step in helping small and mid-sized museums add these works to their collections for the public to enjoy.

Thank you again for this thoughtful piece of legislation.

Sincerely,

PETER C. MARZIO,
Director.

Mr. BENNETT. Mr. President, I am proud to join the Senator from Vermont today to introduce the Artist-Museum Partnership Act. This important legislation will remove an unfortunate inequity in our tax code by allowing living artists to deduct the fair-market value of their art work when they contribute the work to museums or other public institutions.

As the tax code is currently written, art collectors are allowed to deduct the fair market value of any piece of art donated to a museum. At the same time, if the artist who created that work of art were to donate the same piece, he or she would be allowed to deduct only the material cost of the work, which may be nothing more than a canvas, a tube of paint, and a wooden frame. This inequity has created a disincentive for artists who would otherwise donate their work to museums. The solution is simple: treat collectors and artists the same way. This bill will do just that.

While this bill will certainly help artists, the real beneficiaries are museums, historians, and most importantly, the general public. This change in the tax code will increase the number of original pieces donated to public institutions, giving scholars greater access to an artist's work during the lifetime of that artist, as well as providing for an increase in the public display of such work. Museum-goers will have a greater opportunity to learn not only from the master artists of past centuries, but also from artists who are at the forefront of their fields today.

I want to thank Senator LEAHY for his work on this bill. He and I have introduced similar legislation in the past, and we hope that our colleagues will see this bill for what it is a reasonable solution to an unintentional inequity in our tax code. I urge my colleagues to support this common-sense legislation. The fiscal impact of the Artist-Museum Partnership Act on the federal budget will be minimal, but the benefit to our nation's cultural and artistic heritage cannot be overstated. This minor correction to the tax code is long overdue, and the Senate should act on this legislation to remedy the problem.

By Mr. DORGAN (for himself, Mr. BINGAMAN, and Mr. BYRD):

S. 695. A bill to provide parents, taxpayers, and educators with useful, understandable school report cards; to the Committee on Health, Education, Labor, and Pensions.

Mr. DORGAN. Mr. President, today I am introducing the Standardized School Report Card Act, along with Senators BINGAMAN and BYRD.

Every six to nine weeks, schools all across the country send parents report cards evaluating how their child is doing. Rarely, however, do parents ever get any sense of how their child's school is performing. And let's face it: The two are inextricably linked. It is not as meaningful for a child to be among the best in his or her school if the school itself is among the worst.

As a parent of two children in public school, I believe it is very important for parents, taxpayers, teachers, and the public to have some way of measuring how their school is performing, relative to other schools in the area, the state, the country, and even the world. The legislation I am introducing today along with Senators BINGAMAN and BYRD would give parents and taxpayers an important tool for evaluating how their school is doing.

Our legislation would require that schools and states develop an annual, easily understandable report card and widely disseminate it to parents, taxpayers, teachers, and the public.

I am pleased that the concept of school report cards has bipartisan support. President Bush called for school-by-school report cards on student achievement in his ''No Child Left Behind'' education plan. In addition, Senator DASCHLE and the others have provided for school report cards in S. 10, the Educational Excellence for All Learners Act. And the Better Education for Students and Teachers Act, which was reported by the Senate Committee on Health, Education, Labor, and Pensions, includes some limited school report card language that I think can form the basis for helpful reports for parents and taxpayers.

The Standardized School Report Card Act that I am introducing today would require schools and states to cover eight key, basis areas in their report cards, plus any other areas of indicators of quality they want to include. The eight subject areas schools would be ''graded'' on are: Student performance; attendance, graduation and dropout rates; professional qualifications of teachers; average class size; school safety; parental involvement; student access to technology; and whether they have been identified by the State for improvement. These eight areas were chosen largely because they were the ones parents themselves said they felt were most critical, in focus groups around the country conducted by the Center for Community Change.

Some might say this legislation is unnecessary. After all, according to Education Week, 36 states already require schools to publish a school report card. In addition, the Congressional Research Services has looked at the kinds of data that states already require their schools to report and/or collect. According to the CRS, 47 states have ''report cards'' in at least one of the eight areas specified by the Standardized School Report Card Act.

However, the content of these report cards varies widely. In fact, according to a report by Education Week, no two state report cards cover exactly the same information, so they cannot be a useful tool for parents and educators to compare their school with other schools in the state or nation.

For instance, in my state of North Dakota, the state Department of Public Instruction has designed a ''school district profile'' that is published for each school district in the state. These profiles include lots of interesting and helpful information, including a lot of data not required by my legislation. However, there is also some valuable data missing from this report that parents would want to know about, such as the number of teachers who have emergency certification or the incidents of school violence.

By requiring all schools to report on at least these eight key areas, my school report card legislation will provide parents with the ability to measure how their school is doing relative to other schools.

Schools will also have to be sure that they widely disseminate their report cards. According to Education Week, most people have never seen a report card for their local school, even though 90 percent think a school report card would be helpful.

This legislation is not about the Federal government wresting control of education away from local school boards, where it belongs. Rather, it is about whether parents, no matter where they live, have an opportunity and the ability to measure how well their children are doing from community to community, school to school, state to state?

As a nation, we spend more than $375 billion annually to provide an education to our elementary and secondary children. Parents and taxpayers deserve to know what we are getting for the money we are spending on K–12 education.

Those in this country who are concerned about our education system know that we must make some improvements. How do we make improvements? You create a blueprint, a plan, for fixing what is wrong. But before you can do that, you must first assess what is right and what is wrong. And we do not have a basic approach by which parents can measure what is right or wrong with their local school.

The lack of obtainable, understandable information is a major barrier to parents' more active involvement in the education of their children. In Georgia, the number of schools developing local school improvement plans increased by 300 percent following the first publication of report cards in 1996. I feel strongly that's because parents will hold their schools accountable if they have the information they need to determine whether improvements are needed.

Times have changed. This is not 40 years ago when we as a country could tie one hand behind our back and beat anybody else in the world at almost anything, and do it easily. We now face shrewd, tough international competition in every direction we look. We now face competition in the job market, in our economies, and in our schools. Our children compete with countries that send their kids to school 240 days a year, while we send our kids to school 180 days a year.

In short, parents have a right to know whether their kids are receiving a quality education, no matter what State they live in, no matter what city or school district they live in. I encourage my colleagues to cosponsor this legislation. When the Senate begins debate on the Better Education for Students and Teachers Act, I intend to work with my colleagues on both sides of the aisle to strengthen the school report card provisions already in the Senate bill.

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

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

S. 695

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 ''Standardized School Report Card Act''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) According to the report ''Quality Counts 99'', by Education Week, 36 States require the publishing of annual report cards on individual schools, but the content of the report cards varies widely.

(2) The content of most of the report cards described in paragraph (1) does not provide parents with the information the parents need to measure how their school or State is doing compared with other schools and States.

(3) Ninety percent of taxpayers believe that published information about individual schools would motivate educators to work harder to improve the schools' performance.

(4) More than 60 percent of parents and 70 percent of taxpayers have not seen an individual report card for their area school.

(5) Dissemination of understandable information about schools can be an important tool for parents and taxpayers to measure the quality of the schools and to hold the schools accountable for improving performance.

SEC. 3. PURPOSE.

The purpose of this Act is to provide parents, taxpayers, and educators with useful, understandable school report cards.

SEC. 4. DEFINITIONS.

The terms used in this Act have the meanings given the terms under section 14101 of the Elementary and Secondary Education Act of 1965.

SEC. 5. REPORT CARDS.

(a) STATE REPORT CARDS.—Each State educational agency receiving assistance under the Elementary and Secondary Education Act of 1965 shall produce and widely disseminate an annual report card for parents, the general public, teachers and the Secretary of Education, in easily understandable language, with respect to elementary schools and secondary schools in the State. The report card shall contain information regarding—

(1) student performance on statewide assessments in language arts, mathematics, and history, plus any other subject areas in which the State requires assessments, including—

(A) comparisons with students from different school districts within the State, and, to the extent possible, comparisons with students throughout the Nation;

(B) a statement on the 3-year trend in the percentage of students performing at the basic, proficient, and advanced levels; and

(C) a statement of the percentage of students not tested and a listing of categories of the reasons why such students were not tested;

(2) attendance and 4-year graduation rates, the number of students completing advanced placement courses, and the annual school dropout rate, as calculated by procedures conforming with the National Center for Education Statistics Common Core of Data;

(3) professional qualifications of teachers in the State, including the percentage of class sections taught by teachers who are not certified to teach in that subject, and the percentage of teachers with emergency or provisional certification;

(4) average class size in the State broken down by school level;

(5) school safety, including the safety of school facilities, incidents of school violence

and drug and alcohol abuse, and the number of instances in which a student was determined to have brought a firearm to school under the State law described in the Gun-Free Schools Act of 1994 and the incidence of student suspensions and expulsions;

(6) to the extent practicable, parental involvement, as measured by the extent of parental participation in school parental involvement policies described in section 1118(b) of the Elementary and Secondary Education Act of 1965;

(7) student access to technology, including the number of computers for educational purposes, the number of computers per classroom, and the number of computers connected to the Internet;

(8) information regarding the schools identified by the State for school improvement; and

(9) other indicators of school performance and quality.

(b) SCHOOL REPORT CARDS.—Each school receiving assistance under the Elementary and Secondary Education Act of 1965, or the local educational agency serving that school, shall produce and widely disseminate an annual report card for parents, the general public, teachers and the State educational agency, in easily understandable language, with respect to elementary or secondary education, as appropriate, in the school. The report card shall contain information regarding—

(1) student performance in the school on statewide assessments in language arts, mathematics, and history, plus any other subject areas in which the State requires assessments, including—

(A) comparisons with other students within the school district, in the State, and, to the extent possible, in the Nation;

(B) a statement on the 3-year trend in the percentage of students performing at the basic, proficient, and advanced levels; and

(C) a statement of the percentage of students not tested and a listing of categories of the reasons why such students were not tested;

(2) attendance and 4-year graduation rates, the number of students completing advanced placement courses, and the annual school dropout rate, as calculated by procedures conforming with the National Center for Education Statistics Common Core of Data;

(3) professional qualifications of the school's teachers, including the percentage of class sections taught by teachers not certified to teach in that subject, and the percentage of teachers with emergency or provisional certification;

(4) average class size in the school broken down by school level, and the enrollment of students compared to the rated capacity of the school;

(5) school safety, including the safety of the school facility, incidents of school violence and drug and alcohol abuse, the number of instances in which a student was determined to have brought a firearm to school under the State law described in the Gun-Free Schools Act of 1994, and the incidence of student suspensions and expulsions;

(6) parental involvement, as measured by the extent of parental participation in school parental involvement policies described in section 1118(b) of the Elementary and Secondary Education Act of 1965;

(7) student access to technology, including the number of computers for educational purposes, the number of computers per classroom, and the number of computers connected to the Internet;

(8) information regarding whether the school has been identified for school improvement; and

(9) other indicators of school performance and quality.

(c) MODEL SCHOOL REPORT CARDS.—The Secretary of Education shall use funds made available to the Office of Educational Research and Improvement to develop a model school report card for dissemination, upon request, to a school, local educational agency, or State educational agency.

(d) DISAGGREGATION OF DATA.—Each State educational agency or school producing an annual report card under this section shall disaggregate the student data reported under subsection (a) or (b), as appropriate, in the same manner as results are disaggregated under section 1111(b)(3)(I) of the Elementary and Secondary Education Act of 1965.

(e) DISSEMINATION AND ACCESSIBILITY OF REPORT CARDS.—

(1) STATE REPORT CARDS.—State annual report cards under subsection (a) shall be disseminated to all elementary schools, secondary schools, and local educational agencies in the State, and made broadly available to the public through means such as posting such reports on the Internet and distribution to the media, and through public agencies.

(2) LOCAL AND SCHOOL REPORT CARDS.—Local educational agency report cards and elementary school and secondary school report cards under subsection (b) shall be disseminated to all elementary schools and secondary schools served by the local educational agency and to all parents of students attending such schools, and shall be made broadly available to the public through means such as posting such report on the Internet and distribution to the media, and through public agencies.

(f) GRANTS AUTHORIZED.—The Secretary of Education shall award a grant to each State having a State report card that meets the requirements of subsection (a) to enable the State to annually publish report cards for each elementary and secondary school that receives funding under the Elementary and Secondary Education Act of 1965 and is served by the State. The amount of a State grant under this section shall be equal to the State's allotment under subsection (g)(2).

(g) RESERVATIONS AND ALLOTMENTS.—

(1) RESERVATIONS.—From the amount appropriated under subsection (j) to carry out this Act for each fiscal year the Secretary of Education shall reserve—

(A) ½ of 1 percent of such amount for payments to the Secretary of the Interior for activities approved by the Secretary of Education consistent with this Act, in schools operated or supported by the Bureau of Indian Affairs on the basis of their respective needs for assistance under this Act; and

(B) ½ of 1 percent of such amount for payments to outlying areas, to be allotted in accordance with their respective needs for assistance under this Act, as determined by the Secretary of Education, for activities approved by the Secretary of Education that are consistent with this Act.

(2) STATE ALLOTMENTS.—From the amount appropriated under subsection (j) for a fiscal year and remaining after amounts are reserved under paragraph (1), the Secretary of Education shall allot to each State having a State report card meeting the requirements of subsection (a) an amount that bears the same relationship to such remainder as the number of public school students enrolled in elementary schools and secondary schools in the State bears to the total number of such students so enrolled in all States.

(h) WITHIN-STATE ALLOCATIONS.—Each State educational agency receiving a grant under subsection (f) shall allocate the grant funds that remain after carrying out the activities required under subsection (e)(1) to local educational agencies in the State.

(i) STATE RESERVATION OF FUNDS.—Each State educational agency receiving a grant under subsection (f) may reserve —

(1) not more than 10 percent of the grant funds to carry out activities described in subsections (a) and (b), and subsection (e)(1), for fiscal year 2002; and

(2) not more than 5 percent of the grant funds to carry out activities described in sections (a) and (b), and subsection (e)(1), for fiscal year 2003 and each of the 3 succeeding fiscal years.

(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this Act, $5,000,0000 for fiscal year 2002, and such sums as may be necessary for each of the 4 succeeding fiscal years.

By Mr. BROWNBACK:

S. 696. A bill to prohibit the Federal Communications Commission from applying spectrum aggregation limits to spectrum assigned by auction after 2000; to the Committee on Commerce, Science, and Transportation.

Mr. BROWNBACK. Mr. President, today I rise to reintroduce the Third Generation Wireless Internet Act. This legislation, which I first introduced in the 106th Congress, is needed today more then ever. The Act requires The Federal Communications Commission (FCC) to lift the current cap on the amount of spectrum any one company may be licensed to use in a market.

Today, over 104 million Americans are benefitting from the products and services being offered by our nation's wireless industry. The public has benefited from stiff competition among industry participants as 244.8 million Americans can choose between three and eight wireless service providers, with 181.7 million of them able to choose from at least five service providers. The result of this competition has been a fifty percent decrease in wireless rates between 1988 and 2000, while the total number of minutes used has increased forty-two percent over that same period.

Impressive as is the development of the wireless marketplace, our nation's wireless industry is fast approaching a crossroads where it will transition from voice and text messaging services to a marriage of wireless mobility with the power of the Internet and broadband Internet access: the ability to deliver voice, video, and data simultaneously over one wireless device. This transition will be made possible by the deployment of third generation technology, commonly referred to as ''3G,'' which combines wireless mobility with transmission speeds and capacity resembling that of the broadband pipes being laid primarily in urban markets by wireline companies.

Congress, the FCC, and the National Telecommunications and Information Administration continue to work to identify sufficient spectrum resources for a timely 3G deployment. The Third Generation Wireless Internet Act will ensure that companies currently at the limits of the spectrum they are permitted to use under FCC regulations will still be able to participate in 3G deployment once the spectrum is identified.

Just as Internet access, especially broadband Internet access, promises to

be a great equalizer across socio-economic lines, 3G promises to be a great equalizer between those consumers with access to broadband and those without. As Congress continues to look for ways to close the digital divide as it relates to broadband, wireless technology can play a key role in ensuring that all Americans have access to broadband irrespective of their geographic location. It is incumbent upon Congress to recognize and act upon the potential of 3G to close the gap between urban and rural broadband access, and the Third Generation Wireless Internet Act does just that.

I request that the text of the bill be printed in the RECORD.

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

S. 696

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 ''Third-Generation Wireless Internet Act''.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Mobile telephony has been one of the fastest growing industries of the telecommunications sector, offering consumers innovative services at affordable rates.

(2) Demand for mobile telecommunications services has greatly exceeded industry expectations.

(3) Mobile carriers are poised to bring high-speed Internet access to consumers through wireless telecommunications devices.

(4) Third Generation mobile systems (hereinafter referred to as ''3G'') are capable of delivering high-speed data services for Internet access and other multimedia applications.

(5) Advanced wireless services such as 3G may be the most efficient and economic way to provide high-speed Internet access to rural areas of the United States.

(6) Under the current Federal Communications Commission rules, commercial mobile service providers may not use more than 45 megahertz of combined cellular, broadband Personal Communications Service, and Specialized Mobile Radio spectrum within any geographic area.

(7) Assignments of additional spectrum may be needed to enable mobile operators to keep pace with the demand for 3G services.

(8) The application of the current Commission spectrum cap rules to new spectrum auctioned by the FCC would greatly impede the deployment of 3G services.

SEC. 3. WIRELESS TELECOMMUNICATIONS SERVICES.

Section 332(c) of the Communications Act of 1934 (47 U.S.C. 332(c)) is amended by adding at the end thereof the following:

''(9) NON-APPLICATION OF SPECTRUM AGGREGATION LIMITS TO NEW AUCTIONS.—

''(A) The Commission may not apply section 20.6(a) of its regulations (47 C.F.R. 20.6(a)) to a license for spectrum assigned by initial auction held after December 31, 2000.

''(B) The Commission may relax or eliminate the spectrum aggregation limits of section 20.6 of its regulations (47 C.F.R. 20.6), but may not lower these limits.''.

By Mr. HATCH (for himself, Mr. BAUCUS, Mr. HAGEL, Mr. ROCKEFELLER, Mr. CRAIG, Mr. BINGAMAN, Mr. CRAPO, Mrs. LINCOLN, Mr. BROWNBACK, Mr. TORRICELLI, Mr. WARNER, Mr. CONRAD, Mr. ROBERTS, Mr. KERRY, Mr. SMITH of Oregon, Mr. DASCHLE, Ms. COLLINS, Mr. BREAUX, Mr. HUTCHINSON, Ms. MILKULSKI, Ms. LANDRIEU, Mr. CARPER, Mr. CLELAND, Mr. SCHUMER, Mr. DORGAN, Mr. BIDEN, Mrs. CARNAHAN, Mr. NELSON of Nebraska, Ms. STABENOW, Mr. WELLSTONE, Mr. DAYTON, Mr. SARBANES, Mr. DURBIN, Mr. BAYH, and Mr. MILLER):

S. 697. A bill to modernize the financing of the railroad retirement system and to provide enhanced benefits to employees and beneficiaries; to the Committee on Health, Education, Labor, and Pensions.

Mr. HATCH. Mr. President, on behalf of myself, Senator BAUCUS, and 18 other of our colleagues, I rise today to introduce the Railroad Retirement and Survivors' Improvement Act of 2001. This bill represents an important opportunity in the 65-year history of the Railroad Retirement system. Rail labor and rail management, working together, developed a proposal that would build on the system's strengths to modernize Railroad Retirement to provide better, more secure benefits at a lower cost to employers and employees. This proposal was further refined as a result of extensive discussions last year between rail labor and management and the congressional committees of jurisdiction.

The bill we are introducing today builds on our efforts in the 106th Congress to reform the Railroad Retirement system. Last year, the predecessor to this bill, H.R. 4844, passed the House by a vote of 391–25, and received similar bipartisan support in the Senate. Eighty senators signed a letter urging quick passage of the legislation, and on September 28, 2000, it was favorably reported by the Finance Committee. H.R. 4844 was placed on the Senate legislative calendar, but unfortunately, this is where the bill remained. Despite an overwhelming majority of Members in both houses in support of the bill, time ran out and the 106th Congress adjourned without this bill being brought up on the Senate floor.

Both rail labor and rail management have come to the Congress to seek changes to their pension plan because Railroad Retirement is a unique system. It is the only private industry pension plan established in statute and administered by the federal government. As such, any changes in Railroad Retirement can be made only through legislative action. Historically, such legislation has reflected negotiated agreement by management and labor with the Congress followed by congressional consideration and enactment of necessary statutory changes. The legislation we introduce today continues this practice and embodies the reform principles agreed to by rail management and the vast majority of rail labor this past year.

Some may ask, why reform the Railroad Retirement system at this time? Railroad Retirement has served railroad workers, their families, and their surviving spouses well for 65 years. Its roots reach back to the struggle to find answers to the hardships that resulted from the Great Depression of the 1930s. Today, the Railroad Retirement system is fiscally strong, providing benefit payments to more than 673,000 retirees and other beneficiaries. The most recent report to Congress by the Railroad Retirement Board's chief actuary, which addressed the 2000–2073 period, indicated that no cash-flow problems are expected to arise over that period. This strength, combined with the willingness of rail labor and rail management to work together constructively, provides an opportunity to address a number of concerns about Railroad Retirement that have developed in recent years.

First, Railroad Retirement is very costly, both to employers and employees. It has two components: Tier I, which is largely equivalent to Social Security, and Tier II, which provides additional benefits and is similar to a private, defined benefit pension plan. Tier I and Tier II are funded primarily through payroll taxes on employers and employees—15.3 percent combined for Tier I, including Medicare, and 21 percent for Tier II. Together, these payroll taxes make up a staggering 36.3 percent of taxable payroll, a figure substantially higher than the cost other industries face to provide retirement benefits to their employees. This high cost represents a major financial burden to both employees and employers. Perhaps worse still, it constitutes a major disincentive for employers to hire new employees under Railroad Retirement.

A second factor that led to the development of this legislation is the adequacy of the Railroad Retirement benefit structure. One special area of concern among retirees has been the widow's and widower's benefit under the Tier II portion of Railroad Retirement. Indeed, this was the subject of a 1998 hearing by the Ground Transportation Subcommittee of the House Transportation and Infrastructure Committee. That hearing was a spur to rail management and rail labor to engage in discussions about a broad range of issues affecting the system.

Let me explain the reasons why this bill has the strong support of railroad retirees, railroad management, and the great majority of rail labor.

First, it provides for increased responsibility by the railroad industry for the financial health of Railroad Retirement. Under current law, if changes in tax rates or benefits are needed to assure the financial health of the system, Congress is required to pass new legislation. The bill being introduced today would make Tier II tax rates more responsive to actual financing needs by establishing an automatic tax adjustment schedule. Under this statutory schedule, payroll taxes would be

raised or lowered automatically, without any further action by Congress, depending on the level of funds available to pay Railroad Retirement benefits. The schedule is designed to maintain a minimum balance of 4 years of benefit payments and a maximum balance of 6 years. The four year minimum reserve balance represents a higher balance than has existed in the Railroad Retirement Account (RRA) for most of the past 40 years. Rail employers have agreed to bear entirely any tax schedule increases—employees and employers would share any tax decreases that might occur. Employees would have the option of seeking congressional action to convert any planned decrease in the employee tax rate to a benefit increase, and management has agreed to support such action.

Second, the bill provides for greater flexibility in the investment of Railroad Retirement assets. This investment provision would apply only to Tier II, the portion of the program that is similar to a private pension plan and is funded entirely from industry sources. Tier I, the portion that is similar to Social Security and is linked to the Social Security system, would not be affected.

Currently, investment of RRA assets is limited by law to U.S. Government securities. Actuarial projections for the RRA assume an annual return of 6 percent on investments. Between 1985 and 1998, the average annual return on RRA investments was unusually high at 9.12 percent, but this still lagged far behind the average annual return to large multi-employer pension plans of 15.17 percent over the same period. The differential in returns between RRA investments and private pension plan investment portfolios contributes significantly to the high cost of funding the benefits provided from the RRA.

This bill would provide the authority for the industry assets in the RRA to be invested in a diversified investment portfolio, as are the assets of private sector retirement plans. In the process of developing this proposal, concerns were raised by some Members of Congress that this aspect of the legislation could result in government intrusion into the equity markets. While the funds that would be invested are, in effect, railroad industry pension funds which, through historical circumstance, have been maintained in a government account, we have included a provision to draw a bright line distinction from current investment practice.

The Congressional Committees of jurisdiction worked with labor and management last year to create a new structure that separates the new investment activity from the Railroad Retirement Account. This structure has been included in the legislation we introduce today. It would establish a new Railroad Retirement Investment Trust (RRIT), whose exclusive purpose would be the investment of RRA assets entrusted to it by the Railroad Retirement Board (RRB). The RRIT would not be an agency or instrumentality of the federal government. RRA assets would be transferred to the RRIT for investment and from the RRIT to a centralized disbursement agent that would pay the various components of the aggregate railroad retirement benefit in a single check to beneficiaries.

The RRIT would have seven trustees chosen by the Railroad Retirement Board: three representing labor, three representing management and one representing the public interest. Trustees of the RRIT would be required to have experience and expertise in the management of financial investments and pension plans, and would be subject to fiduciary standards similar to those required by ERISA. The RRIT trustees would set investment guidelines for the prudent management of the assets entrusted to it, and select outside investment advisors and managers to implement its policies. Earnings on RRIT investments would be available only for the purpose of paying Railroad Retirement benefits and necessary expenses of the RRIT. I believe that these measures will allow for increased returns on the industry's pension plan while building an effective firewall between the government and the private markets.

Third, this legislation would improve benefits for retirees and their families. In particular, it would resolve the concern regarding the benefit for widows and widowers under Tier II. Under current law, while the retired employee is alive, the couple receives a Tier II benefit equal to 145 percent of the retiree's benefit—the retiree's benefit plus a spousal benefit of 45 percent of the retiree's benefit. When the retiree dies, the spouse is left with a Tier II benefit of 50 percent of the retiree's benefit—a reduction of almost two-thirds. Under this bill, the surviving spouse would receive a Tier II benefit equal to that received by the retiree, preventing such a drastic reduction in survivor income.

Also of key importance is a reduction in the current early retirement age of 62 with 30 years of service to age 60 with 30 years of service. This would return the age at which a railroad employee can retire with full benefits to what it was prior to 1984. It is significant that rail labor and rail management have agreed to revise their national collective bargaining agreement to conform the age of eligibility for retiree health benefits to 60, if this legislation is passed. There are also two other benefit improvements: the vesting requirement would be lowered from 10 to 5 years, a change which would align Railroad Retirement with current private industry pension practices; and the bill would also eliminate an arbitrary cap on Tier II benefits, known as the ''Railroad Retirement Maximum'', which can result in retirees and their spouses having their earned benefits substantially reduced.

Fourth, Tier II payroll tax rates would be reduced for employers. Railroad employers currently pay 16.1 percent of taxable payroll into the RRA, which, as I have mentioned, is a rate substantially higher than other industries' pension contributions. The reduction of employer taxes would be phased in over the first 3 years following enactment of the bill. Employee tax rates would continue at the current 4.9 percent. Further tax reductions for employers and tax reductions for employees would be possible as provided under the tax adjustment mechanism I have already described. In addition, the supplemental annuity tax, a 26.5 cents-per-hour tax paid entirely by rail employers, would be eliminated. Supplemental annuity benefits would continue to be paid to eligible beneficiaries.

The legislation being introduced today is nearly identical to the legislation that was reported last year by the Senate Finance Committee, with the exception of updated effective dates.

I am concerned that certain aspects of this bill have been undeservedly criticized since it was first introduced last year, and I believe it is important to put these criticisms to rest in order to avoid any further misconceptions.

First, the legislation's budget impact has been mischaracterized and overstated. Under current scoring rules, CBO is required to treat the initial purchase of private securities by the Railroad Retirement Investment Trust as a government ''outflow.'' These private securities would become an asset of the RRIT, but would not be scored as a corresponding government ''inflow'' under current budget scoring rules, a decision which, I am told, the CBO characterized as a ''close call.'' CBO further indicated that some budget experts believe that OMB's long-standing practice under ''Circular A–11'' may be ''ill-suited to purchases of financial assets that the government acquires as a way of preserving, or enhancing, the value of cash balances,'' and that they ''may consider a different budget treatment in the future.''

Simply put, even if the estimated $14.8 billion acquisition of private securities is scored as an initial outlay, the assets received in return would produce on-budget revenues in the form of interest, dividends and capital gains. Over time, these revenues will contribute to increasing future surpluses and reducing debt service. In fact, CBO estimated that after the third year under the Railroad Retirement and Survivors' Improvement Act, the program would add to the surplus in every succeeding year in ever-increasing amounts.

Second, some have expressed concern that the transfer of federal income taxes on railroad retirement benefits into the Railroad Retirement trust fund is a Government subsidy. In fact, railroad retirees, concerned about the future of Railroad Retirement, agreed in 1983 to the taxation of their benefits and the dedication of the proceeds to Railroad Retirement as a form of benefit cut to help support the long-term solvency of the program. If benefits

had been cut in the conventional way, there would be no question as to whether this would be considered a subsidy.

Third, critics' claims that this legislation relies on Social Security funds or makes any changes to Social Security reflect a total misunderstanding of the relationship between Railroad Retirement and Social Security. Since 1950 there has been a financial interchange mechanism between Railroad Retirement and the Social Security system that ensures that neither system is advantaged or disadvantaged by which system covers a worker. The current bill would make no changes to this interchange process or to Social Security. As in the past, these Tier I funds would be available to pay benefits, would be considered assets of the Railroad Retirement program, and would be limited to investments in federal government securities.

Railroad Retirement has always been a bipartisan concern. I hope that many more of our colleagues will join us in taking this opportunity to improve Railroad Retirement and the lives of its more than 673,000 beneficiaries, and that we act early to ensure that there is plenty of time in this session to accomplish this important task.

Mr. BAUCUS. Mr. President, I am pleased to join Senator HATCH as a lead cosponsor of the Railroad Retirement and Survivors' Improvement Act of 2001. The intent of this legislation is quite simple: improve the benefits of Railroad Retirement and modernize the financing of system. Many would agree that the current railroad retirement system is archaic and inequitable. As an example, one need look no further than the severe reduction in benefit payments faced by the 178,000 widows and widowers under the current policy. This is something that must be addressed promptly and the legislation we are introducing today improves survivor benefits substantially. Montana has about 6,600 railroad retirement beneficiaries and about 3,200 active rail employees. Railroads are an important industry in Montana and many Montanans count on the railroad. I am cosponsoring this legislation to make sure railroad employees, retirees and their families receive adequate benefits from a system they can count on.

This legislation has strong support from railroad companies, labor organizations, and retirees. When enacted, this legislation will provide earlier vesting and a lower minimum retirement age for railroad labor; improved benefits for widows and widowers of railroad retirees; and enhance the investment of pension contributions from rail companies and employees.

Rail labor and rail management have come to the Congress to seek changes to their pension plan because Railroad Retirement is a unique system. It is the only private industry pension plan established in statute and administered by the federal government. As such, any changes in Railroad Retirement can be made only through legislative action. Historically, such legislation has reflected negotiated agreement by management and labor followed by Congressional consideration and enactment of necessary statutory changes. This legislation continues this practice and embodies reform principles agreed to by rail management and a majority of rail labor.

I am pleased we have a significant bipartisan group of Senators joining us as original cosponsors, an indication of the broad support this legislation has earned. I also note that many of the original cosponsors are also members of the Senate Finance Committee, the committee that will receive the bill after its introduction today. I hope the committee will be able to take action on the bill soon.

Mr. ROCKEFELLER. Mr. President, I am proud to be an original cosponsor of the bipartisan Railroad Retirement and Survivors' Improvement Act 2001, and I hope to work closely with Senators HATCH and BAUCUS and the bipartisan coalition to get this legislation enacted into law this year.

In West Virginia, we have over 11,000 retirees and their families depending on railroad retirement. Almost 3,500 West Virginians are working for the railroads and will need their railroad retirement at some point in the future. Nationwide, there are about 673,000 railroad retirees and families, and about 245,000 active rail workers. They deserve a better retirement program, and I want to work with them to promote this historic package supported by both rail labor and rail management.

There can be no doubt that improving retirement benefits for railroad workers, retirees, and their families must be one of our top priorities, and I am fully supportive of that effort. Right now, it takes ten years of service before a railroad worker becomes vested in the retirement plan, while private companies covered by Employee Retirement Income Security Act, ERISA, vest their employees in just five to seven years. The need to dramatically improve benefits for widows and widowers is obvious and has gone unaddressed for too long. It is tragic to slash the benefits of the widow of a railroad retiree upon the death of her spouse, as the current policy does. I understand the importance of these and other changes in retirement benefits for workers.

Today, experts predict that the Railroad Trust Funds are solvent for the next twenty-five years, and existing policy guarantees benefits to railroad retirees and their families. Under the new plan, the railroads would pay a lower sum of taxes into the Railroad Retirement Trust Funds, but the fund would create an investment board to invest its reserves in private equities so the increased rate of returns would cover the expanded benefits. Under the plan, there is a provision to increase railroad taxes in the future, when necessary, to fully fund the railroad retirement benefits.

As a member of the Senate Finance Committee, I want to enact legislation that will improve benefits for railroad retirees and their families, and I will be working with my colleagues to achieve that goal.

Mr. WELLSTONE. Mr. President, I am pleased to join as a cosponsor of this important legislation to modernize the investment policies of the Railroad Retirement System. This legislation reflects an historic agreement reached between rail labor and rail management. it is good for workers, good for retirees, good for widows and widowers, good for rail employers, and good for the rail industry as a whole.

This reform legislation is the product of two and a half years of negotiations and has had the grassroots support of nearly one million employees and beneficiaries who will benefit from its provisions. We came very close to enacting this measure into law at the end of the last Congress. I hope my colleagues will join me in moving the bill as expeditiously as possible.

By Mrs. BOXER (for herself and Mr. REID):

S. 698. A bill to amend the Safe Drinking Water Act to designate chromium-6 as a contaminant, to establish a maximum contaminant level for chromium-6, and for other purposes; to the Committee on Environment and Public Works.

Ms. BOXER. Mr. President, today Senator HARRY REID and I are introducing a bill for the first time ever will require the Environment Protection Agency, EPA, to set a federal standard for chromium 6 in drinking water.

The recent movie, ''Erin Brockovich'' made front page news of the substance hexavalent chromium, otherwise known as chromium 6, that until last year had only received attention from the scientific community. But Hinkley, California, the town depicted in the movie, is not the only place where chromium 6 has been found in the drinking water supply.

For example, last September, PG&E National Energy Group agreed to close down five unlined wastewater basins and two landfills at its power plants in Massachusetts because they were being sued for dumping waste contaminated with chromium 6 into these basins and landfills, endangering the safety of the groundwater.

Over one year ago in Painesville Township, Ohio, large amounts of chromium 6 were removed from a construction site. Workers at the site were replacing 2,000 feet of pipe in the sewer main when they encountered the contaminated water, which was described as ''phosphorescent yellow-green liquid.''

Chromium 6 is a chemical that is used by a variety of industries throughout the country. When improperly disposed of, chromium 6 can contaminate ground water, which is the

very same water that many communities use to supply their drinking water.

We now know for a fact that chromium 6 causes a host of serious health problems, including cancer, liver damage, kidney damage, immune system suppression, respiratory illness, skin rashes, nose bleeds and neurological damage. What we do not know is the level at which chromium 6 in drinking water causes these problems.

That is why I am introducing this bill today with my colleague Senator HARRY REID. Our bill will require the National Academy of Sciences to study the health effects of chromium 6 in drinking water and to make recommendations to the EPA on an appropriate maximum contaminant level goal. The EPA, based on these recommendations, will then list chromium 6 as a regulated contaminant under the Safe Drinking Water Act and set a federal standard for the levels of chromium 6 that can safely be found in drinking water.

This bill will also ensure that communities are able to get information about the chromium 6 levels in their drinking water from their local water supplies by applying existing right-to-know laws and will provide funding to state and local water authorities to help defray the cost of cleaning up chromium 6.

I look forward to working with my colleagues to secure passage of this vitally important health safety measure.

I ask unanimous consent that the text of the bill be printed the RECORD.

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

S. 698

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

SECTION 1. MAXIMUM CONTAMINANT LEVEL FOR CHROMIUM-6.

(a) IN GENERAL.—Section 1412(b)(12) of the Safe Drinking Water Act (42 U.S.C. 300g–1(b)(12)) is amended by adding at the end the following:

''(C) CHROMIUM-6.—

''(i) DECLARATION OF CHROMIUM–6 AS CONTAMINANT.—Congress declares that chromium–6 is a contaminant subject to regulation under this title.

''(ii) STUDY.—

''(I) IN GENERAL.—Not later than 30 days after the date of enactment of this subparagraph, the Administrator shall enter into a contract with the National Academy of Sciences under which the National Academy of Sciences, not later than 1 year after the date of enactment of this subparagraph, shall complete a study to determine, and shall recommend to the Administrator, an appropriate maximum contaminant level goal for chromium–6.

''(II) ESTABLISHMENT OF MCL.—Not later than 30 days after the date on which the Administrator receives the recommendation of the National Academy of Sciences under subclause (I), the Administrator shall establish a maximum contaminant level for chromium–6 at a level consistent with that recommendation.

''(III) REPORT.—Not later than 30 days after the date on which the Administrator receives the recommendation of the National Academy of Sciences under subclause (I), the Administrator shall submit to Congress a report that describes the results of the study.

''(iii) APPLICABILITY OF OTHER LAW.—Chapter 7, and subchapter II of chapter 5, of title 5, United States Code, shall not apply to any action of the Administrator under this clause.

''(iv) REGULATION.—On and after the date of completion of the study under clause (ii), the Administrator shall regulate chromium–6 as an inorganic contaminant in accordance with part 141 of title 40, Code of Federal Regulations (or a successor regulation).''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12) is amended by striking subsection (m) and inserting the following:

''(m) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to carry out this section, to remain available until expended—

''(A) $599,000,000 for fiscal year 1994; and

''(B) $1,000,000,000 for each of fiscal years 1995 through 2005.

''(2) SUBSEQUENT AUTHORIZATIONS.—To the extent that any amount authorized to be appropriated under this subsection for any fiscal year is not appropriated for the fiscal year, the amount—

''(A) is authorized to be appropriated in any subsequent fiscal year before fiscal year 2004; and

''(B) shall remain available until expended.

''(3) CHROMIUM-6 COMPLIANCE.—Of the funds made available under paragraph (1)(B) for each of fiscal years 2002 through 2005, such sums as are necessary shall be made available to the Administrator to provide grants in accordance with this section to States and community water systems for use in carrying out activities to comply with section 1412(b)(12)(C).''.

By Mr. JOHNSON (for himself and Mr. DASCHLE):

S. 699. A bill to provide for substantial reductions in the price of prescription drugs for Medicare beneficiaries; to the Committee on Finance.

Mr. JOHNSON. Mr. President, I am pleased to introduce the Prescription Drug Fairness for Seniors Act of 2001, legislation that addresses the critical issue facing our older Americans—the cost of their prescription drugs. Studies have shown that older Americans spend almost three times as much of their income on health care than those under the age of 65, and more than three-quarters of Americans aged 65 and over are taking prescription drugs. Study after study has shown that seniors and others who buy their own prescription drugs, are forced to pay over twice as much for their drugs as are the drug manufactures' most favored customers, such as the federal government and large HMOs. Even more alarming is the fact that consumers in the United States pay far more for their prescription drugs than do citizens of other developed nations, resulting in price discrimination against millions of Americans. U.S. consumers are footing the bill for drug manufacturer's skyrocketing profit margins year in and year out. This is wrong and unfair.

The Prescription Drug Fairness for Seniors Act will protect senior citizens and disabled individuals from drug price discrimination and make prescription drugs available to Medicare beneficiaries at substantially reduced prices. The legislation achieves these goals by allowing pharmacies that serve Medicare beneficiaries to purchase prescription drugs at the drugs' low ''average foreign price.'' Under the bill, the ''average foreign price'' means the average price that the manufacturer realizes on drugs sold in Canada, France, Germany, Italy, Japan, and the United Kingdom. Last year, the ''reimportation'' bill had broad bipartisan support. Estimated to reduce prescription drug prices for seniors by over 40 percent, this bill will help those seniors and disabled individuals who often times have to make devastating choices between buying food or medications. Choices that no human being should have to make.

Research and development of new drug therapies is an important and necessary tool towards improving a persons quality of life. But due to the high price tag that often accompanies the latest drug therapies, seniors are often left without access to these new therapies, and ultimately, in far too many instances, without access to medication at all. This legislation is an important step towards restoring the access to affordable medications for all Medicare beneficiaries.

While this may not be the magic bullet that meets all of the long term needs of providing Medicare prescription drug coverage, it does provide a mechanism for immediate relief from rising drug costs. Working together, reaching across the aisle, we can use this time of unparalleled prosperity to do the right thing by our seniors. We should do it this year for their sake, and for the sake of the future of Medicare.

I look forward to working on this important issue in the months to come and hope that Congress will work swiftly in a bipartisan manner to enact this legislation that will benefit millions of senior citizens and disabled individuals across our nation.

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

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

S. 699

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 ''Prescription Drug Fairness for Seniors Act of 2001''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds the following:

(1) Manufacturers of prescription drugs engage in price discrimination practices that compel many older Americans to pay substantially more for prescription drugs than consumers in foreign nations and the drug manufacturers' most favored customers in the United States, such as health insurers, health maintenance organizations, and the Federal Government.

(2) Older Americans who buy their own prescription drugs often pay twice as much for

prescription drugs as consumers in foreign nations and the drug manufacturers' most favored customers in the United States. In some cases, older Americans pay 10 times more for prescription drugs than such customers.

(3) The discriminatory pricing by major drug manufacturers sustains their high profits (for example, $27,300,000,000 in 1999), but causes financial hardship and impairs the health and well-being of millions of older Americans. Many older Americans are forced to choose between buying their food and buying their medicines.

(4) Foreign nations and federally funded health care programs in the United States use purchasing power to obtain prescription drugs at low prices. Medicare beneficiaries are denied this benefit and cannot obtain their prescription drugs at the lower prices available to such nations and programs.

(5) Implementation of the policy set forth in this Act is estimated to reduce prescription drug prices for many medicare beneficiaries by an average of 40 percent.

(6) In addition to substantially lowering the costs of prescription drugs for older Americans, implementation of the policy set forth in this Act will significantly improve the health and well-being of older Americans and lower the costs to the Federal taxpayer of the medicare program.

(7) Older Americans who are terminally ill and receiving hospice care services represent some of the most vulnerable individuals in our Nation. Making prescription drugs available to medicare beneficiaries under the care of medicare-certified hospices will assist in extending the benefits of lower prescription drug prices to those most vulnerable and in need.

(b) PURPOSE.—The purpose of this Act is to protect medicare beneficiaries from discriminatory pricing by drug manufacturers and to make prescription drugs available to medicare beneficiaries at substantially reduced prices.

SEC. 3. PARTICIPATING MANUFACTURERS.

(a) IN GENERAL.—Each participating manufacturer of a covered outpatient drug shall make available for purchase by each pharmacy such covered outpatient drug in the amount described in subsection (b) at the price described in subsection (c).

(b) DESCRIPTION OF AMOUNT OF DRUGS.—The amount of a covered outpatient drug that a participating manufacturer shall make available for purchase by a pharmacy is an amount equal to the aggregate amount of the covered outpatient drug sold or distributed by the pharmacy to medicare beneficiaries.

(c) DESCRIPTION OF PRICE.—The price at which a participating manufacturer shall make a covered outpatient drug available for purchase by a pharmacy is a price no greater than the manufacturer's average foreign price.

(d) ENFORCEMENT.—The United States shall debar a manufacturer of drugs or biologicals that does not comply with the provisions of this Act.

SEC. 4. SPECIAL PROVISION WITH RESPECT TO HOSPICE PROGRAMS.

For purposes of determining the amount of a covered outpatient drug that a participating manufacturer shall make available for purchase by a pharmacy under section 3, there shall be included in the calculation of such amount the amount of the covered outpatient drug sold or distributed by a pharmacy to a hospice program. In calculating such amount, only amounts of the covered outpatient drug furnished to a medicare beneficiary enrolled in the hospice program shall be included.

SEC. 5. ADMINISTRATION.

The Secretary shall issue such regulations as may be necessary to implement this Act.

SEC. 6. REPORTS TO CONGRESS REGARDING EFFECTIVENESS OF ACT.

(a) IN GENERAL.—Not later than 2 years after the date of enactment of this Act, and annually thereafter, the Secretary shall report to Congress regarding the effectiveness of this Act in—

(1) protecting medicare beneficiaries from discriminatory pricing by drug manufacturers; and

(2) making prescription drugs available to medicare beneficiaries at substantially reduced prices.

(b) CONSULTATION.—In preparing such reports, the Secretary shall consult with public health experts, affected industries, organizations representing consumers and older Americans, and other interested persons.

(c) RECOMMENDATIONS.—The Secretary shall include in such reports any recommendations the Secretary considers appropriate for changes in this Act to further reduce the cost of covered outpatient drugs to medicare beneficiaries.

SEC. 7. DEFINITIONS.

In this Act:

(1) AVERAGE FOREIGN PRICE.—

(A) IN GENERAL.—The term ''average foreign price'' means, with respect to a covered outpatient drug, the average price that the manufacturer of the drug realizes on the sale of drugs with the same active ingredient or ingredients that are consumed in covered foreign nations, taking into account—

(i) any rebate, contract term or condition, or other arrangement (whether with the purchaser or other persons) that has the effect of reducing the amount realized by the manufacturer on the sale of the drugs; and

(ii) adjustments for any differences in dosage, formulation, or other relevant characteristics of the drugs.

(B) EXEMPT TRANSACTIONS.—The Secretary may, by regulation, exempt from the calculation of the average foreign price of a drug those prices realized by a manufacturer in transactions that are entered into for charitable purposes, for research purposes, or under other unusual circumstances, if the Secretary determines that the exemption is in the public interest and is consistent with the purposes of this Act.

(2) COVERED FOREIGN NATION.—The term ''covered foreign nation'' means Canada, France, Germany, Italy, Japan, and the United Kingdom.

(3) COVERED OUTPATIENT DRUG.—The term ''covered outpatient drug'' has the meaning given that term in section 1927(k)(2) of the Social Security Act (42 U.S.C. 1396r–8(k)(2)).

(4) DEBAR.—The term ''debar'' means to exclude, pursuant to established administrative procedures, from Government contracting and subcontracting for a specified period of time commensurate with the seriousness of the failure or offense or the inadequacy of performance.

(5) HOSPICE PROGRAM.—The term ''hospice program'' has the meaning given that term under section 1861(dd)(2) of the Social Security Act (42 U.S.C. 1395x(dd)(2)).

(6) MEDICARE BENEFICIARY.—The term ''medicare beneficiary'' means an individual entitled to benefits under part A of title XVIII of the Social Security Act or enrolled under part B of such title, or both.

(7) PARTICIPATING MANUFACTURER.—The term ''participating manufacturer'' means any manufacturer of drugs or biologicals that, on or after the date of enactment of this Act, enters into a contract or agreement with the United States for the sale or distribution of covered outpatient drugs to the United States.

(8) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

SEC. 8. EFFECTIVE DATE.

The Secretary shall implement this Act as expeditiously as practicable and in a manner consistent with the obligations of the United States.

By Mr. CAMPBELL (for himself, Mr. KOHL, and Mr. HATCH):

S. 700. A bill to establish a Federal interagency task force for the purpose of coordinating actions to prevent the outbreak of bovine spongiform encephalopathy (commonly known as ''mad cow disease'') and foot-and-mouth disease in the United States; read the first time.

Mr. CAMPBELL. Mr. President, today I am joined by my friends and colleagues, Senator KOHL and Senator HATCH in introducing an expanded version of the Mad Cow Prevention Act of 2001, which we previously introduced on March 14, 2001. Our original bill would establish a federal Task Force to prevent the spread to and within the United States of Mad Cow Disease, Foot-and-Mouth Disease, and related livestock diseases. This new bill, entitled the Mad Cow and Related Diseases Prevention Act of 2001, would add the Secretary of State and the Director of the Federal Emergency Management Agency to the Task Force.

We also are invoking Rule 14 to have the bill placed directly on the Senate Calendar. We are taking this rare step because of the growing severity of this threat and testimony presented at a hearing this morning before the Senate Subcommittee on Consumer Affairs, Foreign Commerce and Tourism.

We can not take for granted that our food supply will not be tainted by Mad Cow Disease, which has infected over 175,000 cattle in Great Britain and Europe, and other livestock diseases. This is an issue that has a direct impact on my home state of Colorado, and the rest of the nation as a whole.

We need to proceed in a prudent, cautious way to do everything we can to prevent Mad Cow Disease and other devastating livestock diseases from entering and spreading in the United States. Only then can we ensure continued consumer confidence in the safety of the American food supply.

The bill we reintroduce today establishes a Federal Interagency Task Force, to be chaired by the Secretary of Agriculture, for the purpose of coordinating actions to prevent the outbreak of Mad Cow Disease. The agencies will include the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Health and Human Service, the Secretary of Treasury, the Commissioner of the Food and Drug Administration, the Director of the National Institutes of Health, the Director of the Centers for Disease Control, the Commissioner of Customs, the Secretary of State, the Director of the Federal Emergency Management Agency, and any other agencies the President deems appropriate.

No later than 60 days after the enactment of this legislation, the task force will submit to Congress a report which

will describe the actions the agencies are taking and plan to take to prevent the spread of Mad Cow and other livestock diseases and make recommendations for the future prevention of the spread of this disease to the United States. The Task Force should also consider and report on foot-and-mouth disease, chronic wasting disease and other diseases associated with our meat industries. I urge my colleagues to support its speedy passage.

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

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

S. 700

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 ''Mad Cow and Related Diseases Prevention Act of 2001''.

SEC. 2. INTERAGENCY TASK FORCE.

(a) IN GENERAL.—There is established a Federal interagency task force, to be chaired by the Secretary of Agriculture, for the purpose of coordinating actions to prevent the outbreak of bovine spongiform encephalopathy (commonly known as ''mad cow disease''), foot-and mouth disease and related diseases in the United States.

(b) MEMBERSHIP.—The membership of the task force shall be composed of—

(1) the Secretary of Agriculture;

(2) the Secretary of Commerce;

(3) the Secretary of Health and Human Services;

(4) the Secretary of the Treasury;

(5) the Commissioner of Food and Drug;

(6) the Director of the National Institutes of Health;

(7) the Director of the Centers for Disease Control and Prevention;

(8) the Commissioner of Customs;

(9) the Secretary of State;

(10) the Director of the Federal Emergency Management Agency; and

(11) the heads of such other Federal departments and agencies as the President considers appropriate.

(c) REPORT.—Not later than 60 days after the date of enactment of this Act, the task force shall submit to Congress a report that—

(1) describes actions that are being taken, and will be taken, to prevent the outbreak of bovine spongiform encephalopathy, foot-and-mouth disease and related diseases in the United States; and

(2) contains any recommendations for legislative and regulatory actions that should be taken to prevent the outbreak of bovine spongiform encephalopathy, foot-and-mouth disease and related diseases in the United States.

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE CONCURRENT RESOLUTION 31—COMMENDING CLEAR CHANNEL COMMUNICATIONS AND THE AMERICAN FOOTBALL COACHES ASSOCIATION FOR THEIR DEDICATION AND EFFORTS FOR PROTECTING CHILDREN BY PROVIDING A VITAL MEANS FOR LOCATING THE NATION'S MISSING, KIDNAPPED, AND RUNAWAY CHILDREN

Mr. THOMPSON submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 31

Whereas children are the Nation's greatest asset for the future;

Whereas more than 800,000 children disappear each year in the United States, and the problem of missing, kidnapped, and runaway children potentially affects every community in the Nation;

Whereas the United States is committed to the protection of its children as essential for the Nation's strong and vital growth;

Whereas Clear Channel Communications and the American Football Coaches Association are making the United States the world leader in the protection of children by providing 60,000,000 Inkless Child Identification Kits for use by parents;

Whereas these kits allow parents to keep vital information, current photographs, and fingerprints readily available to provide to law enforcement agencies throughout the Nation in the event of an emergency; and

Whereas Clear Channel Communications and the American Football Coaches Association, through the efforts of board members, officers, employees, and subsidiary companies and the leadership of Lowry Mays, Mark Mays, and Grant Teaff, display an outstanding dedication to the children in communities throughout the Nation: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress commends Clear Channel Communications and the American Football Coaches Association for their dedication and efforts for protecting children by providing a vital means for locating the Nation's missing, kidnapped, and runaway children.

Mr. THOMPSON. Mr. President, today I rise to introduce a resolution commending Clear Channel Communications and the American Football Coaches Association, AFCA, for their efforts to protect children by providing a vital means for locating America's missing, kidnapped, and runaway children.

In 1997, the AFCA created the National Child Identification Program with a goal of fingerprinting 20 million children across the country. The AFCA began the program after discovering some startling statistics regarding missing children. The statistics showed that every year 450,000 children run away, 350,000 are abducted by a family member, and over 4,500 are abducted by a stranger. A total of 800,000 children are missing somewhere in America each year, that is one child every 40 seconds.

The National Child Identification Program provides free inkless fingerprint kits for children. These kits allow parents to take and store their child's fingerprints in their own home. If ever needed, this fingerprint record can give authorities vital information to assist them in their efforts to locate a missing child. In its first year, the AFCA distributed 2.1 million child I.D. kits at college football games across the country. To date, there have been 12 million free child I.D. kits distributed.

I am proud to say that many in Tennessee have contributed to this effort. Phil Fulmer, Head Football Coach at the University of Tennessee, has been an active participant in this program. With his help, the AFCA was able to distribute over 200,000 I.D. kits at University of Tennessee football games. Last year, Tennessee Governor Don Sundquist declared March 2000 as ''Child Identification Awareness Month'' and acknowledged that the program will affect the lives of children all over Tennessee.

Last year, Clear Channel Communications, a Texas-based media company, partnered with AFCA to raise funds to provide 60 million schoolchildren with free I.D. kits. They have committed to raising $78 million over the next three years for this effort.

This revolution gives special recognition to the American Football Coaches Association and Clear Channel Communications for their efforts. I ask my colleagues to join me in supporting this resolution.

SENATE CONCURRENT RESOLUTION 32—HONORING THE AMERICAN SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS FOR ITS 135 YEARS OF SERVICE TO THE PEOPLE OF THE UNITED STATES AND THEIR ANIMALS

Mr. DURBIN submitted the following concurrent resolution; which was referred to the Committee on the Judiciary.

S. CON. RES. 32

Whereas April 10, 2001, is the 135th anniversary of the founding of The American Society for the Prevention of Cruelty to Animals (''ASPCA'');

Whereas ASPCA has provided services to millions of people and their animals since its establishment in 1866 in New York City by Henry Bergh;

Whereas ASPCA was the first humane society established in the western hemisphere;

Whereas ASPCA teaches children the character-building virtues of compassion, kindness, and respect for all God's creatures;

Whereas the dedicated directors, staff, and volunteers of ASPCA have provided shelter, medical care, behavioral counseling, and placement for abandoned, abused, or homeless animals in the United States for more than a century; and

Whereas ASPCA, through its observance of April as Prevention of Cruelty to Animals Month and its promotion of humane animal treatment through programs on law enforcement, education, shelter outreach, poison control, legislative affairs, counseling, veterinary services, and behavioral training,

has provided invaluable services to the people of the United States and their animals: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. HONORING THE AMERICAN SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS.

(a) IN GENERAL.—Congress honors The American Society for the Prevention of Cruelty to Animals for its 135 years of service to the people of the United States and their animals.

(b) TRANSMITTAL.—The Secretary of the Senate shall transmit a copy of this concurrent resolution to the president of The American Society for the Prevention of Cruelty to Animals.

Mr. DURBIN. Mr. President, I rise today to introduce a resolution honoring The American Society for the Prevention of Cruelty to Animals on the 135th Anniversary of their founding.

The dedicated volunteers of The ASPCA have provided shelter, medical care, and placement for abandoned and abused animals for more than a century.

The ASPCA is the oldest animal welfare organization in North America. Henry Bergh began the organization in 1866 as a platform to prevent the cruel beating of carriage horses in New York City. Today, The ASPCA is a national organization, employing 680,000 workers and providing services to millions of people and their animals. The success of the organization has made the term ASPCA synonymous with ''animal rescue'', ''animal shelter'', ''animal adoptions'' and ''humane education.''

In my homestate of Illinois, The ASPCA has an Animal Poison Control Center—the first and only non-profit animal-dedicated poison control center in the U.S. In 1996, The ASPCA acquired the center from the University of Illinois in Champaign-Urbana. The center is committed to relieving pain, fear and suffering in animals who have been poisoned, and to provide education on toxicology.

The ASPCA continues to educate adults and children that kindness, caring and respect for all creatures benefits both humans and animals. In addition, millions of Americans have participated in ''Prevention-of-Cruelty-to-Animals'' activities in the month of April through their schools and civic organizations.

I ask my colleagues in the Senate to join me in congratulating the staff, directors and volunteers at The ASPCA on a successful 135 years of service

AMENDMENTS SUBMITTED AND PROPOSED

SA 179. Mr. KERRY submitted an amendment intended to be proposed to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011; which was ordered to lie on the table.

SA 180. Mr. GRAHAM (for himself and Mrs. HUTCHISON) submitted an amendment intended to be proposed to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) supra; which was ordered to lie on the table.

SA 181. Mr. GRAHAM (for himself, Mrs. HUTCHISON, Mr. GRASSLEY, Ms. COLLINS, Ms. SNOWE, Mr. ROCKEFELLER, Mrs. CARNAHAN, Mrs. MURRAY, Mr. SCHUMER, and Mrs. CLINTON) submitted an amendment intended to be proposed to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) supra; which was ordered to lie on the table.

SA 182. Mr. SANTORUM submitted an amendment intended to be proposed to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) supra; which was ordered to lie on the table.

SA 183. Mr. KERRY (for himself, Mr. BINGAMAN, Mr. WELLSTONE, Ms. LANDRIEU, and Mr. DASCHLE) submitted an amendment intended to be proposed by him to the concurrent resolution H. Con. Res. 83 supra; which was ordered to lie on the table.

SA 184. Mr. HOLLINGS (for himself, Mr. DAYTON, Mr. BIDEN, Ms. STABENOW, and Mrs. BOXER) submitted an amendment intended to be proposed by him to the concurrent resolution H. Con. Res. 83 supra; which was ordered to lie on the table.

SA 185. Mr. HARKIN (for himself, Mr. WELLSTONE, Mr. KENNEDY, Mrs. MURRAY, Mr. BINGAMAN, Mrs. CLINTON, Mr. DAYTON, Mr. ROCKEFELLER, Mr. CORZINE, Ms. MIKULSKI, Mr. REED, Mr. REID, Mr. SARBANES, Ms. LANDRIEU, Mr. KERRY, Mr. DASCHLE, and Mr. SCHUMER) proposed an amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) supra.

SA 186. Mr. SPECTER (for himself, Mr. HARKIN, Ms. MIKULSKI, Ms. COLLINS, Ms. LANDRIEU, Mr. KERRY, Mr. WELLSTONE, Mr. DEWINE, Mrs. MURRAY, Mr. SARBANES, and Ms. SNOWE) proposed an amendment to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) supra.

SA 187. Mrs. LINCOLN submitted an amendment intended to be proposed to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) supra; which was ordered to lie on the table.

SA 188. Ms. LANDRIEU (for herself, Mrs. CARNAHAN, Mr. LIEBERMAN, Mr. REED, Mr. LEVIN, Mr. BREAUX, Mr. CORZINE, Mr. GRAHAM, and Mr. NELSON, of Florida) proposed an amendment to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) supra.

SA 189. Mr. WARNER (for himself, Mr. HUTCHINSON, Mr. ROBERTS, Mr. INHOFE, Ms. COLLINS, Mr. MILLER, and Mr. KYL) proposed an amendment to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) supra.

SA 190. Ms. COLLINS (for herself, Mr. BOND, Ms. MIKULSKI, Mr. ROBERTS, Mr. COCHRAN, Mr. SMITH, of Oregon, Ms. SNOWE, Mr. ENZI, Mr. HUTCHINSON, Mr. SANTORUM, Mr. DOMENICI, and Mr. BURNS) proposed an amendment to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) supra.

SA 191. Ms. STABENOW (for herself and Mr. JOHNSON) proposed an amendment to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) supra.

TEXT OF AMENDMENTS

SA 179. Mr. KERRY submitted an amendment intended to be proposed to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H.Con.Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal year 2003 through 2011; which was ordered to lie on the table; as follows:

At the end of title II, insert the following:

SEC. _____. TAX RELIEF FOR PAYROLL TAX ONLY TAXPAYERS.

(a) IN GENERAL.—It shall not be in order in the Senate to consider a bill reducing revenues or a conference report on such a bill if the bill or conference report reduces revenues by an amount in excess of $500,000,000,000 over the period of fiscal years 2002 through 2011 unless the bill or conference report contains a certification by the Committee on Finance or the conferees, respectively, that the bill or conference report provides substantial tax relief to the 28,000,000 taxpayers who pay payroll taxes but who do not have sufficient earnings to generate income tax liability.

(b) WAIVER AND APPEAL.—This section may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

SA 180. Mr. GRAHAM (for himself and Mrs. HUTCHISON) submitted an amendment intended to be proposed to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011; which was ordered to lie on the table; as follows:

On page 4, line 2, increase the amount by $319,000,000.

On page 4, line 16, increase the amount by $80,000,000.

On page 4, line 17, increase the amount by $25,000,000.

On page 4, line 18, increase the amount by $25,000,000.

On page 4, line 19, increase the amount by $25,000,000.

On page 4, line 20, increase the amount by $25,000,000.

On page 4, line 21, increase the amount by $25,000,000.

On page 4, line 22, increase the amount by $25,000,000.

On page 4, line 23, increase the amount by $25,000,000.

On page 5, line 1, increase the amount by $25,000,000.

On page 5, line 2, increase the amount by $25,000,000.

On page 5, line 7, decrease the amount by $80,000,000.

On page 5, line 8, decrease the amount by $25,000,000.

On page 5, line 9, decrease the amount by $25,000,000.

On page 5, line 10, decrease the amount by $25,000,000.

On page 5, line 11, decrease the amount by $25,000,000.

On page 5, line 12, decrease the amount by $25,000,000.
On page 5, line 13, decrease the amount by $25,000,000.
On page 5, line 14, decrease the amount by $25,000,000.
On page 5, line 15, decrease the amount by $25,000,000.
On page 5, line 16, decrease the amount by $25,000,000.
On page 32, line 15, increase the amount by $319,000,000.
On page 32, line 16, increase the amount by $80,000,000.
On page 32, line 20, increase the amount by $25,000,000.
On page 32, line 24, increase the amount by $25,000,000.
On page 33, line 3, increase the amount by $25,000,000.
On page 33, line 7, increase the amount by $25,000,000.
On page 33, line 11, increase the amount by $25,000,000.
On page 33, line 15, increase the amount by $25,000,000.
On page 33, line 15, increase the amount by $25,000,000.
On page 33, line 19, increase the amount by $25,000,000.
On page 33, line 23, increase the amount by $25,000,000.
On page 34, line 3, increase the amount by $25,000,000.

SA 181. Mr. GRAHAM (for himself, Mrs. HUTCHISON, Mr. GRASSLEY, Ms. COLLINS, Ms. SNOWE, Mr. ROCKEFELLER, Mrs. CARNAHAN, Mrs. MURRAY, Mr. SCHUMER, and Mrs. CLINTON) submitted an amendment intended to be proposed to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011, which was ordered to lie on the table, as follows:

On page 27, line 3, increase the amount by $680,000,000.
On page 27, line 4, increase the amount by $510,000,000.
On page 27, line 8, increase the amount by $136,000,000.
On page 7, line 12, increase the amount by $34,000,000.
On page 32, line 15, increase the amount by $180,000,000.
On page 32, line 20, decrease the amount by $40,000,000.
On page 32, line 24, decrease the amount by $20,000,000.
On page 33, line 3, decrease the amount by $15,000,000.
On page 33, line 7, decrease the amount by $15,000,000.
On page 33, line 11, decrease the amount by $15,000,000.
On page 33, line 15, decrease the amount by $15,000,000.
On page 33, line 19, decrease the amount by $15,000,000.
On page 33, line 23, decrease the amount by $15,000,000.
On page 34, line 3, decrease the amount by $15,000,000.
On page 4, line 2, increase the amount by $680,000,000.
On page 4, line 16, increase the amount by $690,000,000.
On page 4, line 17, increase the amount by $96,000,000.
On page 4, line 18, increase the amount by $14,000,000.
On page 4, line 19, decrease the amount by $15,000,000.
On page 4, line 20, decrease the amount by $15,000,000.
On page 4, line 21, decrease the amount by $15,000,000.
On page 4, line 22, decrease the amount by $15,000,000.
On page 4, line 23, decrease the amount by $15,000,000.
On page 5, line 1, decrease the amount by $15,000,000.
On page 5, line 2, decrease the amount by $15,000,000.
On page 5, line 7, decrease the amount by $690,000,000.
On page 5, line 8, decrease the amount by $96,000,000.
On page 5, line 9, decrease the amount by $14,000,000.
On page 5, line 10, increase the amount by $15,000,000.
On page 5, line 11, increase the amount by $15,000,000.
On page 5, line 12, increase the amount by $15,000,000.
On page 5, line 13, increase the amount by $15,000,000.
On page 5, line 14, increase the amount by $15,000,000.
On page 5, line 15, increase the amount by $15,000,000.
On page 5, line 16, increase the amount by $15,000,000.

SA 182. Mr. SANTORUM submitted an amendment intended to be proposed to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011; which was ordered to lie on the table; as follows:

On page 10, line 21, increase the amount by $707,000,000.
On page 10, line 22, increase the amount by $707,000,000.
On page 43, line 15, decrease the amount by $707,000,000.
On page 43, line 16, decrease the amount by $707,000,000.

SA 183. Mr. KERRY (for himself, Mr. BINGAMAN, Mr. WELLSTONE, Ms. LANDRIEU, and Mr. DASCHLE) submitted an amendment intended to be proposed by him to the concurrent resolution H. Con. Res. 83, establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011; which was ordered to lie on the table.

On page 21, line 15, increase the amount by $264,000,000.
On page 21, line 16, increase the amount by $154,000,000.
On page 43, line 15, decrease the amount by $264,000,000.
On page 43, line 16, decrease the amount by $154,000,000.
On page 48, line 8, increase the amount by $264,000,000.
On page 48, line 9, increase the amount by $154,000,000.

SA 184. Mr. HOLLINGS (for himself, Mr. DAYTON, Mr. BIDEN, Ms. STABENOW, and Mrs. BOXER) submitted an amendment intended to be proposed by him to the concurrent resolution H. Con. Res. 83, establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011; which was ordered to lie on the table; as follows:

On page 43, strike lines 10 through 12, and insert the following:
(A) New budget authority, $95,000,000,000.
(B) Outlays, $95,000,000,000.
(C) The Senate finds that
(i) given the apparent economic slowdown, the Congress should stimulate the economy by passing a 1-year true tax cut stimulus package that provides income tax and payroll tax relief;
(ii) for real economic stimulus the 1-year tax cut should equal approximately 1 percent of the gross domestic product, or $95,000,000,000;
(iii) a meaningful economic stimulus must reach as many taxpayers as possible, or at least 120 million people;
(iv) the broadest range of taxpayers can be reached by offering a direct rebate based on income tax liability or payroll tax liability; and
(v) the tax stimulus bill should be immediate and take effect on or before July 1, 2001.
(D) It is the sense of the Senate that the Senate should as soon as practical consider and pass a stimulus tax package pursuant to this budget resolution that will result in
(i) up to a $500 rebate per individual for 95 million taxpayers by reducing in the current calendar year the 15 percent income tax rate to 10 percent for income brackets
(I) $0–$20,000 for couples;
(II) $0–$16,000 for heads of households; and
(III) $0–$10,000 for single individuals or married individuals making a separate return of tax; and
(ii) up to a $500 payroll tax rebate for the 25,000,000 taxpayers who pay taxes but do not qualify for the income tax.

SA 185. Mr. HARKIN (for himself, Mr. WELLSTONE, Mr. KENNEDY, Mrs. MURRAY, Mr. BINGAMAN, Mrs. CLINTON, Mr. DAYTON, Mr. ROCKEFELLER, Mr. CORZINE, Ms. MIKULSKI, Mr. REED, Mr. REID, Mr. SARBANES, Ms. LANDRIEU, Mr. KERRY, Mr. DASCHLE, and Mr. SCHUMER) proposed an amendment to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011; as follows:

On page 2, line 18, increase the amount by $15,600,000,000.
On page 3, line 1, increase the amount by $24,700,000,000.
On page 3, line 2, increase the amount by $34,100,000,000.
On page 3, line 3, increase the amount by $43,200,000,000.
On page 3, line 4, increase the amount by $51,100,000,000.

On page 3, line 5, increase the amount by $59,100,000,000.
On page 3, line 6, increase the amount by $66,500,000,000.
On page 3, line 7, increase the amount by $73,000,000,000.
On page 3, line 8, increase the amount by $80,200,000,000.
On page 3, line 14, increase the amount by $15,600,000,000.
On page 3, line 15, decrease the amount by $24,700,000,000.
On page 3, line 16, decrease the amount by $34,100,000,000.
On page 3, line 17, decrease the amount by $43,200,000,000.
On page 3, line 18, decrease the amount by $51,100,000,000.
On page 3, line 19, decrease the amount by $59,100,000,000.
On page 3, line 20, decrease the amount by $66,500,000,000.
On page 3, line 21, decrease the amount by $73,000,000,000.
On page 3, line 22, decrease the amount by $80,200,000,000.
On page 4, line 3, increase the amount by $12,200,000,000.
On page 4, line 4, increase the amount by $16,300,000,000.
On page 4, line 5, increase the amount by $20,300,000,000.
On page 4, line 6, increase the amount by $23,800,000,000.
On page 4, line 7, increase the amount by $27,300,000,000.
On page 4, line 8, increase the amount by $30,900,000,000.
On page 4, line 9, increase the amount by $34,000,000,000.
On page 4, line 10, increase the amount by $37,200,000,000.
On page 4, line 11, increase the amount by $40,000,000,000.
On page 4, line 17, increase the amount by $7,800,000,000.
On page 4, line 18, increase the amount by $12,300,000,000.
On page 4, line 19, increase the amount by $17,000,000,000.
On page 4, line 20, increase the amount by $21,600,000,000.
On page 4, line 21, increase the amount by $25,500,000,000.
On page 4, line 22, increase the amount by $29,500,000,000.
On page 4, line 23, increase the amount by $33,300,000,000.
On page 5, line 1, increase the amount by $36,500,000,000.
On page 5, line 2, increase the amount by $40,100,000,000.
On page 5, line 8, increase the amount by $7,800,000,000.
On page 5, line 9, increase the amount by $12,300,000,000.
On page 5, line 10, increase the amount by $17,000,000,000.
On page 5, line 11, increase the amount by $21,600,000,000.
On page 5, line 12, increase the amount by $25,500,000,000.
On page 5, line 13, increase the amount by $29,500,000,000.
On page 5, line 14, increase the amount by $33,300,000,000.
On page 5, line 15, increase the amount by $36,500,000,000.
On page 5, line 16, increase the amount by $40,100,000,000.
On page 5, line 21, decrease the amount by $7,800,000,000.
On page 5, line 22, decrease the amount by $20,100,000,000.
On page 5, line 23, decrease the amount by $37,200,000,000.
On page 5, line 24, decrease the amount by $58,800,000,000.
On page 5, line 25, decrease the amount by $84,300,000,000.
On page 6, line 1, decrease the amount by $113,800,000,000.
On page 6, line 2, decrease the amount by $147,100,000,000.
On page 6, line 3, decrease the amount by $183,600,000,000.
On page 6, line 4, decrease the amount by $223,700,000,000.
On page 6, line 9, decrease the amount by $7,800,000,000.
On page 6, line 10, decrease the amount by $20,100,000,000.
On page 6, line 11, decrease the amount by $37,200,000,000.
On page 6, line 12, decrease the amount by $58,800,000,000.
On page 6, line 13, decrease the amount by $84,300,000,000.
On page 6, line 14, decrease the amount by $113,800,000,000.
On page 6, line 15, decrease the amount by $147,100,000,000.
On page 6, line 16, decrease the amount by $183,600,000,000.
On page 6, line 17, decrease the amount by $223,700,000,000.
On page 27, line 3, increase the amount by $8,300,000,000.
On page 27, line 4, increase the amount by $1,000,000,000.
On page 27, line 7, increase the amount by $12,200,000,000.
On page 27, line 8, increase the amount by $7,800,000,000.
On page 27, line 11, increase the amount by $16,300,000,000.
On page 27, line 12, increase the amount by $12,300,000,000.
On page 27, line 15, increase the amount by $20,300,000,000.
On page 27, line 16, increase the amount by $17,000,000,000.
On page 27, line 19, increase the amount by $23,800,000,000.
On page 27, line 20, increase the amount by $21,600,000,000.
On page 27, line 23, increase the amount by $27,300,000,000.
On page 27, line 24, increase the amount by $25,500,000,000.
On page 28, line 2, increase the amount by $30,900,000,000.
On page 28, line 3, increase the amount by $29,500,000,000.
On page 28, line 6, increase the amount by $34,000,000,000.
On page 28, line 7, increase the amount by $33,300,000,000.
On page 28, line 10, increase the amount by $37,200,000,000.
On page 28, line 11, increase the amount by $36,500,000,000.
On page 28, line 14, increase the amount by $40,000,000,000.
On page 28, line 15, increase the amount by $40,100,000,000.
On page 43, line 15, decrease the amount by $8,300,000,000.
On page 43, line 16, decrease the amount by $1,000,000,000.
On page 48, line 8, increase the amount by $8,300,000,000.
On page 48, line 9, increase the amount by $1,000,000,000.

SA 186. Mr. SPECTER (for himself, Mr. HARKIN, Ms. MIKULSKI, Ms. COLLINS, Ms. LANDRIEU, Mr. KERRY, Mr. WELLSTONE, Mr. DEWINE, Mrs. MURRAY, Mr. SARBANES, and Ms. SNOWE) proposed an amendment to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011; as follows:

On page 28, line 23, increase the amount by $700,000,000.
On page 28, line 24, increase the amount by $700,000,000.
On page 43, line 15, decrease the amount by $700,000,000.
On page 43, line 16, decrease the amount by $700,000,000.

SA 187. Mrs. LINCOLN submitted an amendment intended to be proposed to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011; which was ordered to lie on the table; as follows:

At the end of title II, add the following:

SEC. ___. RESERVE FUND FOR FISCAL YEAR 2001 EMERGENCY RELIEF FOR AGRICULTURE.

If the Committee on Agriculture, Nutrition, and Forestry of the Senate reports a bill or joint resolution or a conference report thereon is submitted that provides emergency assistance to family farmers who produce agricultural commodities in calendar year 2001, the Chairman of the Committee on the Budget of the Senate may revise committee allocations for the Committee on Agriculture, Nutrition, and Forestry of the Senate and other appropriate budgetary aggregates and allocations of new budget authority (and the outlays resulting therefrom) in this resolution by the amount provided by that measure for that purpose, but not to exceed $9,000,000,000 in budget authority and outlays for fiscal year 2001, provided that such legislation will not, when taken together with all other previously-enacted legislation, reduce the on-budget surplus below the level of the Medicare Hospital Insurance Trust Fund surplus in any fiscal year provided in this resolution.

SEC. ___. RESERVE FUND FOR FARM BILL AND AGRICULTURAL CONSERVATION PROGRAMS.

If the Committee on Agriculture, Nutrition, and Forestry of the Senate reports a bill or joint resolution or a conference report thereon is submitted that provides for an improved, multi-year safety net for farmers and revised authorizations for agricultural trade, nutrition, conservation, credit, rural development, research, and related programs, the Chairman of the Committee on the Budget of the Senate may revise committee allocations for the Committee on Agriculture, Nutrition, and Forestry of the Senate and other appropriate budgetary aggregates and allocations of new budget authority (and the outlays resulting therefrom) in this resolution by the amount provided by that measure for that purpose, but not to exceed $12,000,000,000 in budget authority and outlays for fiscal year 2002, and $120,000,000 in budget authority and outlays for the period of fiscal years 2002 through 2011, provided that such legislation will not, when taken together with all other previously-enacted legislation, reduce the on-budget surplus below the level of the Medicare Hospital Insurance Trust Fund surplus in any fiscal year provided in this resolution.

SA 188. Ms. LANDRIEU (for herself, Mrs. CARNAHAN, Mr. LIEBERMAN, Mr. REED, Mr. LEVIN, Mr. BREAUX, Mr. CORZINE, Mr. GRAHAM, and Mr. NELSON of Florida) proposed an amendment to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011; as follows:

(Revenues)

On page 2, line 17, increase the amount by $5,576,000,000.

On page 2, line 18, increase the amount by $7,796,000,000.

On page 3, line 1, increase the amount by $8,815,000,000.

On page 3, line 2, increase the amount by $9,180,000,000.

On page 3, line 3, increase the amount by $9,408,000,000.

On page 3, line 4, increase the amount by $9,766,000,000.

On page 3, line 5, increase the amount by $9,890,000,000.

On page 3, line 6, increase the amount by $10,251,000,000.

On page 3, line 7, increase the amount by $11,032,000,000.

On page 3, line 8, increase the amount by $11,629,000,000.

(Revenue Reductions)

On page 3, line 13, decrease the amount by $5,576,000,000.

On page 3, line 14, decrease the amount by $7,796,000,000.

On page 3, line 15, decrease the amount by $8,815,000,000.

On page 3, line 16, decrease the amount by $9,180,000,000.

On page 3, line 17, decrease the amount by $9,408,000,000.

On page 3, line 18, decrease the amount by $9,766,000,000.

On page 3, line 19, decrease the amount by $9,890,000,000.

On page 3, line 20, decrease the amount by $10,251,000,000.

On page 3, line 21, decrease the amount by $11,032,000,000.

On page 3, line 22, decrease the amount by $11,629,000,000.

On page 4, line 2, increase the amount by $8,500,000,000.

On page 4, line 3, increase the amount by $9,000,000,000.

On page 4, line 4, increase the amount by $9,500,000,000.

On page 4, line 5, increase the amount by $9,500,000,000.

On page 4, line 6, increase the amount by $9,500,000,000.

On page 4, line 7, increase the amount by $10,000,000,000.

On page 4, line 8, increase the amount by $10,000,000,000.

On page 4, line 9, increase the amount by $10,500,000,000.

On page 4, line 10, increase the amount by $11,500,000,000.

On page 4, line 11, increase the amount by $12,000,000,000.

On page 4, line 16, increase the amount by $5,576,000,000.

On page 4, line 17, increase the amount by $7,796,000,000.

On page 4, line 18, increase the amount by $8,815,000,000.

On page 4, line 19, increase the amount by $9,180,000,000.

On page 4, line 20, increase the amount by $9,408,000,000.

On page 4, line 21, increase the amount by $9,766,000,000.

On page 4, line 22, increase the amount by $9,890,000,000.

On page 4, line 23, increase the amount by $10,251,000,000.

On page 5, line 1, increase the amount by $11,032,000,000.

On page 5, line 2, increase the amount by $11,629,000,000.

On page 10, line 21, increase the amount by $8,500,000,000.

On page 10, line 22, increase the amount by $5,576,000,000.

On page 10, line 25, increase the amount by $9,000,000,000.

On page 11, line 1, increase the amount by $7,796,000,000.

On page 11, line 4, increase the amount by $9,500,000,000.

On page 11, line 5, increase the amount by $8,815,000,000.

On page 11, line 8, increase the amount by $9,500,000,000.

On page 11, line 9, increase the amount by $9,180,000,000.

On page 11, line 12, increase the amount by $9,500,000,000.

On page 11, line 13, increase the amount by $9,408,000,000.

On page 11, line 16, increase the amount by $10,000,000,000.

On page 11, line 17, increase the amount by $9,766,000,000.

On page 11, line 20, increase the amount by $10,000,000,000.

On page 11, line 9, increase the amount by $9,890,000,000.

On page 11, line 24, increase the amount by $10,500,000,000.

On page 11, line 25, increase the amount by $10,251,000,000.

On page 12, line 3, increase the amount by $11,500,000,000.

On page 12, line 4, increase the amount by $11,032,000,000.

On page 12, line 7, increase the amount by $12,000,000,000.

On page 12, line 8, increase the amount by $11,629,000,000.

On page 43, line 15, decrease the amount by $8,500,000,000.

On page 43, line 16, decrease the amount by $5,576,000,000.

On page 48, line 8, increase the amount by $8,500,000,000.

On page 48, line 9, increase the amount by $5,576,000,000.

SA 189. Mr. WARNER (for himself, Mr. HUTCHINSON, Mr. ROBERTS, Mr. INHOFE, Ms. COLLINS, Mr. MILLER, and Mr. KYL) proposed an amendment to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011; as follows:

On page 10, line 21, increase the amount by $8,500,000,000.

On page 10, line 22, increase the amount by $6,460,000,000.

On page 43, line 15, decrease the amount by $8,500,000,000.

On page 43, line 16, decrease the amount by $6,460,000,000.

On page 48, line 8, increase the amount by $8,500,000,000.

On page 48, line 9, increase the amount by $6,460,000,000.

SA 190. Ms. COLLINS (for herself, Mr. BOND, Ms. MIKULSKI, Mr. ROBERTS, Mr. COCHRAN, Mr. SMITH of Oregon, Ms. SNOWE, Mr. ENZI, Mr. HUTCHINSON, Mr. SANTORUM, Mr. DOMENICI, and Mr. BURNS) proposed an amendment to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011; as follows:

At the end of title II, insert the following:

SEC.—. RESERVE FUND FOR MEDICARE PAYMENTS TO HOME HEALTH AGENCIES.

If the Senate Committee on Finance or the House Committee on Ways and Means or Commerce reports a bill, or if an amendment thereto is offered or a conference report thereon is submitted, that repeals the 15 percent reduction in payments under the medicare program to home health agencies enacted by the Balanced Budget Act of 1997 and now scheduled to go into effect on October 1, 2002, the chairman of the Committee on the Budget of the House or Senate may increase the allocation of new budget authority and outlays to that committee and other appropriate budgetary aggregates and levels by the amount needed, but not to exceed $0 in new budget authority and outlays in 2002, $4,000,000,000 for the period 2002 through 2006, and $13,700,000,000 for the period 2002 through 2011, subject to the condition that such legislation will not, when taken together with all other previously-enacted legislation, reduce the on-budget surplus below the level of the Medicare Hospital Insurance Trust Fund surplus in any fiscal year covered by this resolution.

SA 191. Ms. STABENOW (for herself and Mr. JOHNSON) proposed an amendment to amendment SA 170 proposed by Mr. DOMENICI to the concurrent resolution (H. Con. Res. 83) establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011; as follows:

On page 2, line 18, increase the 6 amount by $700,000,000.

On page 3, line 1, increase the amount by $1,000,000,000.

On page 3, line 2, increase the amount by $1,100,000,000.

On page 3, line 3, increase the amount by $1,300,000,000.

On page 3, line 4, increase the amount by $1,500,000,000.

On page 3, line 5, increase the amount by $1,700,000,000.

On page 3, line 6, increase the amount by $1,900,000,000.

On page 3, line 7, increase the amount by $2,100,000,000.

On page 3, line 8, increase the amount by $2,400,000,000.

On page 3, line 14, increase the amount by $700,000,000.

On page 3, line 15, decrease the amount by $1,000,000,000.

On page 3, line 16, decrease the amount by $1,100,000,000.

On page 3, line 17, decrease the amount by $1,300,000,000.

On page 3, line 18, decrease the amount by $1,500,000,000.

On page 3, line 19, decrease the amount by $1,700,000,000.

On page 3, line 20, decrease the amount by $1,900,000,000.
On page 3, line 21, decrease the amount by $2,100,000,000.
On page 3, line 22, decrease the amount by $2,400,000,000.
On page 4, line 3, increase the amount by $700,000,000.
On page 4, line 4, increase the amount by $1,000,000,000.
On page 4, line 5, increase the amount by $1,100,000,000.
On page 4, line 6, increase the amount by $1,300,000,000.
On page 4, line 7, increase the amount by $1,500,000,000.
On page 4, line 8, increase the amount by $1,700,000,000.
On page 4, line 9, increase the amount by $1,900,000,000.
On page 4, line 10, increase the amount by $2,100,000,000.
On page 4, line 11, increase the amount by $2,400,000,000.
On page 4, line 17, increase the amount by $700,000,000.
On page 4, line 18, increase the amount by $1,000,000,000.
On page 4, line 19, increase the amount by $1,100,000,000.
On page 4, line 20, increase the amount by $1,300,000,000.
On page 4, line 21, increase the amount by $1,500,000,000.
On page 4, line 22, increase the amount by $1,700,000,000.
On page 4, line 23, increase the amount by $1,900,000,000.
On page 5, line 1, increase the amount by $2,100,000,000.
On page 5, line 2, increase the amount by $2,400,000,000.
On page 30, line 23, increase the amount by $700,000,000.
On page 30, line 24, increase the amount by $700,000,000.
On page 31, line 2, increase the amount by $1,000,000,000.
On page 31, line 3, increase the amount by $1,000,000,000.
On page 31, line 6, increase the amount by $1,100,000,000.
On page 31, line 7, increase the amount by $1,100,000,000.
On page 31, line 10, increase the amount by $1,300,000,000.
On page 31, line 11, increase the amount by $1,300,000,000.
On page 31, line 14, increase the amount by $1,500,000,000.
On page 31, line 15, increase the amount by $1,500,000,000.
On page 31, line 18, increase the amount by $1,700,000,000.
On page 31, line 19, increase the amount by $1,700,000,000.
On page 31, line 22, increase the amount by $1,900,000,000.
On page 31, line 23, increase the amount by $1,900,000,000.
On page 32, line 2, increase the amount by $2,100,000,000.
On page 32, line 3, increase the amount by $2,100,000,000.
On page 32, line 6, increase the amount by $2,400,000,000.
On page 32, line 7, increase the amount by $2,400,000,000.

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry will meet on April 24, 2001 in SD–562 at 9:30 a.m. The purpose of this hearing will be to consider nominations for positions at the Department of Agriculture.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry will meet on April 25, 2001 in SR–328A at 9:30 a.m. The purpose of this hearing will be to review agricultural trade issues.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry will meet on April 26, 2001 in SR–328A at 9:30 a.m. The purpose of this hearing will be to review agricultural trade issues.

COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL. Mr. President, I would like to announce that the Committee on Indian Affairs will meet on Thursday, April 5, 2001 at 9:30 a.m. in room 485 of the Russell Senate Office Building to conduct a Hearing to receive the goals and priorities of the United South and Eastern Tribes (USET) for the 107th Congress.

Those wishing additional information may contact Committee staff at 202/224–2251.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FINANCE

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Wednesday, April 4, 2001 to hear testimony on International Trade and the American Economy.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, April 4, 2001 at 9:30 a.m. to hold a hearing.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Wednesday, April 4, 2001 at 2:00 p.m. for a hearing regarding the State of the Presidential Appointments Process.

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

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet for a hearing on States Rights and Federal Remedies: When are Employment Laws Constitutional? during the session of the Senate on Wednesday, April 4, 2001, at 9:30 a.m.

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

COMMITTEE ON INDIAN AFFAIRS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Wednesday, April 4, 2001 at 2:30 p.m. in room 485 of the Russell Senate Office Building to conduct a Business Meeting on S. 211, the Native American Education Improvement Act of 2001.

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

COMMITTEE ON SMALL BUSINESS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Small Business be authorized to meet during the session of the Senate on Wednesday, April 4, 2001, beginning at 9:30 a.m. in room 428A of the Russell Senate Office Building to hold a roundtable entitled ''A Tax Agenda for Small Business''.

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

COMMITTEE ON VETERANS' AFFAIRS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be authorized to meet to hold a hearing on the nomination of Tim S. McClain of California to be VA General Counsel. The hearing will be held on Wednesday, April 4, 2001, at 9:30 a.m. in room 418 of the Russell Senate Office Building.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, April 4, 2001, at 2:00 p.m. to hold a closed hearing on intelligence matters.

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

SUBCOMMITTEE ON ANTITRUST, BUSINESS RIGHTS AND COMPETITION

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on the Judiciary Subcommittee on Antitrust, Business Rights and Competition be authorized to meet to conduct a hearing on Wednesday, April 4, 2001 at 10:00 a.m. The hearing will take place in Dirksen Room 226.

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

SUBCOMMITTEE ON CONSUMER AFFAIRS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Subcommittee on Consumer Affairs of the Committee on Commerce, Science, and Transportation be authorized to meet on Wednesday, April 4, 2001 at 9:30 am on Mad Cow Disease: Are Our Precautions Adequate?

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

SUBCOMMITTEE ON IMMIGRATION

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on the Judiciary Subcommittee

on Immigration be authorized to meet to conduct a hearing on Wednesday, April 4, 2001 at 2:00 p.m. in Dirksen 226.

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

SUBCOMMITTEE ON SEAPOWER

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Subcommittee on Seapower of the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, April 4, 2001 at 9:30 a.m. in open session to receive testimony regarding shipbuilding industrial base issues and initiatives.

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

NATIONAL SHAKEN BABY SYNDROME AWARENESS WEEK

On April 3, 2001, the Senate amended and passed S. Res. 55, as follows:

S. RES. 55

Whereas the month of April has been designated National Child Abuse Prevention Month as an annual tradition initiated in 1979 by former President Jimmy Carter;

Whereas the most recent Government figures show that almost 1,000,000 children were victims of abuse and neglect in 1998, causing unspeakable pain and suffering to our most vulnerable citizens;

Whereas among the children who are victims of abuse and neglect, more than 3 children die each day in this country;

Whereas the rate of child fatalities resulting from child abuse and neglect in 1998 for children aged 1 and younger accounted for 40 percent of the fatalities, and for children aged 5 and younger accounted for 77.5 percent of the fatalities;

Whereas head trauma is the leading cause of death of abused children, including the trauma known as Shaken Baby Syndrome;

Whereas Shaken Baby Syndrome is a totally preventable form of child abuse, caused by a caregiver losing control and shaking a baby that is usually less than 1 year of age;

Whereas Shaken Baby Syndrome can result in loss of vision, brain damage, paralysis, seizures, or death;

Whereas an estimated 3,000 children are diagnosed with Shaken Baby Syndrome every year, with thousands more misdiagnosed and undetected;

Whereas Shaken Baby Syndrome often results in permanent, irreparable brain damage or death to an infant, and more than $1,000,000 in medical costs to care for a single, disabled child in just the first few years of life;

Whereas the most effective solution for ending Shaken Baby Syndrome is to prevent such abuse, and it is clear that the minimal costs of education and prevention programs may prevent enormous medical and disability costs and untold grief for many families;

Whereas prevention programs have been shown to raise awareness and provide critically important information about Shaken Baby Syndrome to parents, caregivers, daycare workers, child protection employees, law enforcement personnel, health care professionals, and legal representatives;

Whereas prevention of Shaken Baby Syndrome is supported by groups such as the Shaken Baby Alliance, an organization which began with 3 mothers of children who had been diagnosed with Shaken Baby Syndrome, and whose mission is to educate the general public and professionals about Shaken Baby Syndrome and to increase support for victims and victim families in the health care and criminal justice systems;

Whereas child abuse prevention programs and ''National Shaken Baby Syndrome Awareness Week'' are supported by the Shaken Baby Alliance, Children's Defense Fund, American Academy of Pediatrics, American Medical Association, Child Welfare League of America, Prevent Child Abuse America, Brain Injury Association, National Child Abuse Coalition, National Exchange Club Foundation, American Humane Association, Center for Child Protection and Family Support, Inc., National Association Of Children's Hospitals and Related Institutions, and many other organizations including the National Basketball Association, which is sponsoring a series of ''NBA Child Abuse Prevention Awareness Night 2001'' events to generate public awareness about the issue of child abuse and neglect during National Child Abuse Prevention Month 2001;

Whereas a year 2000 survey by Prevent Child Abuse America shows that ½ of all Americans believe child abuse and neglect is the most important issue facing this country compared to other public health issues; and

Whereas Congress strongly supports efforts to protect children from abuse and neglect: Now, therefore, be it

Resolved, That the Senate—

(1) designates the third week of April, as ''National Shaken Baby Syndrome Awareness Week'' for the year 2001 and all future years; and

(2) requests that the President issue a proclamation urging the people of the United States to remember the victims of Shaken Baby Syndrome and participate in educational programs to help prevent Shaken Baby Syndrome.

MEASURE READ THE FIRST TIME—S. 700

Mr. STEVENS. Mr. President, I understand S. 700 is at the desk. I ask for its first reading.

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

The legislative clerk read as follows:

A bill (S. 700) to establish a Federal interagency task force for the purpose of coordinating actions to prevent the outbreak of bovine spongiform encephalopathy (commonly known as ''mad cow disease'') and foot-and-mouth disease in the United States.

Mr. STEVENS. I now ask for its second reading and object to my own request.

The PRESIDING OFFICER. Under the rule, the bill will receive its second reading on the next legislative day.

Mr. STEVENS. Mr. President, for those reading this, this is the Campbell-Kohl-Hatch Mad Cow and Related Diseases Prevention Act of 2001.

ORDERS FOR THURSDAY, APRIL 5, 2001

Mr. STEVENS. Mr. President, I ask unanimous consent when the Senate completes its business today, it adjourn until the hour of 9:15 a.m. on Thursday, April 5. I further ask consent that on Thursday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, time for the two leaders be reserved for their use later in the day, and the Senate then resume the concurrent budget resolution.

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

PROGRAM

Mr. STEVENS. Mr. President, for the information of Senators, speaking for the leader, tomorrow the Senate will resume consideration of the two pending amendments to the budget resolution. Following 10 minutes for debate, there will be two consecutive votes beginning at approximately 9:30 a.m. Those votes are in relation to the Stabenow and Collins amendments regarding home health. Additional votes will occur during the day. Again, a late night is expected as the Senate nears completion of this budget resolution.

ADJOURNMENT UNTIL 9:15 A.M. TOMORROW

Mr. STEVENS. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 9:53 p.m., adjourned until Thursday, April 5, 2001, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate April 4, 2001:

DEPARTMENT OF COMMERCE

THEODORE WILLIAM KASSINGER, OF MARYLAND, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF COMMERCE, VICE JAMES A. DORSKIND.

DEPARTMENT OF TRANSPORTATION

SEAN B. O'HOLLAREN, OF OREGON, TO BE AN ASSISTANT SECRETARY OF TRANSPORTATION, VICE MICHAEL J. FRAZIER, RESIGNED.

DEPARTMENT OF THE TREASURY

JOHN B. TAYLOR, OF CALIFORNIA, TO BE AN UNDER SECRETARY OF THE TREASURY, VICE TIMOTHY F. GEITHNER.

DEPARTMENT OF STATE

PAULA J. DOBRIANSKY, OF VIRGINIA, TO BE AN UNDER SECRETARY OF STATE (GLOBAL AFFAIRS), VICE FRANK E. LOY.

GENERAL SERVICES ADMINISTRATION

STEPHEN A. PERRY, OF OHIO, TO BE ADMINISTRATOR OF GENERAL SERVICES, VICE DAVID J. BARRAM, RESIGNED.

THE JUDICIARY

MAURICE A. ROSS, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSOCIATE JUDGE OF THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA FOR THE TERM OF FIFTEEN YEARS, VICE HENRY F. GREENE, TERM EXPIRED.

ERIK PATRICK CHRISTIAN, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSOCIATE JUDGE OF THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA FOR THE TERM OF FIFTEEN YEARS, VICE EUGENE N. HAMILTON, TERM EXPIRED.

DEPARTMENT OF LABOR

CHRIS SPEAR, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF LABOR, VICE EDWARD B. MONTGOMERY.

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR REGULAR APPOINTMENT IN THE GRADES INDICATED IN THE UNITED STATES ARMY IN THE NURSE CORPS (AN), DENTAL CORPS (DE), JUDGE ADVOCATE GENERAL'S CORPS (JA), MEDICAL CORPS (MC), MEDICAL SERVICE CORPS (MS), MEDICAL SPECIALIST CORPS (SP) UNDER TITLE 10, U.S.C., SECTIONS 531 AND 3064:

To be colonel

MARGRETTA M DIEMER, 0000 MC
KELLY T MCKEE JR., 0000 MC
KATY L REYNOLDS, 0000 MC
PAUL B ROCK, 0000 MC
WILLIAM C WILLIARD III, 0000 MC

To be lieutenant colonel

MARY B BEDELL, 0000 AN
DONNA S GACKE, 0000 AN
RICHARD L HUGHES, 0000 DE
KENNETH W MEADE, 0000 MC
SHERRY J MORREY, 0000 SP
BRENT V NELSON, 0000 MC
JAMES R UHL, 0000 MC
JOHN M WEMPE, 0000 MC

To be major

LARRY M FREYBERGER, 0000 AN
JANICE M GENUA, 0000 AN
PAULINE V GROSS, 0000 SP
YOSHIO G HOKAMA, 0000 SP
DANIEL M JAYNE, 0000 SP
GREGORY T KIDWELL, 0000 AN
RONALD L LANDERS, 0000 AN
VIVIAN G LUDI, 0000 AN
JAY F WIGBOLDY, 0000 MC
THOMAS R YARBER, 0000 AN

To be captain

FARRELL H ADKINS, 0000 AN
GILBERT AIDINIAN, 0000 MS
HERMAN A ALLISON, 0000 AN
AARON G AMACHER III, 0000 MS
CATHERINE Y ANDERSON, 0000 AN
KEVIN P BANKS, 0000 MS
RUSSELL L BARFIELD, 0000 MS
BRUCE J BEECHER, 0000 SP
RONALD D BEESLEY, 0000 MS
JOSEPH B BERGER III, 0000 JA
LOUIS A BIRDSONG, 0000 JA
JASON D BOTHWELL, 0000 MS
KARL W BREWER, 0000 MS
SARA K BUCKELEW, 0000 MS
SUSAN J BURGERHETZEL, 0000 JA
MATTHEW P BURKE, 0000 MS
KAREN H CARLISLE, 0000 JA
JESUS M CASTRO, 0000 AN
MARY T CHRISTAL, 0000 AN
PAUL CIMINERA, 0000 MS
SHERMAN D CLAGG, 0000 AN
DANIEL Z CROWE, 0000 JA
JOHN C DEHN, 0000 JA
JOSEPH G DOUGHERTY, 0000 MS
LISA A DRUMMOND, 0000 AN
GARY L EBERLY, 0000 MS
DAVID J EIGNER, 0000 MS
MATTHEW N FANDRE, 0000 MS
MATTHEW V FARGO, 0000 MS
KENNETH A FERRELL, 0000 AN
BRADLEY C GARDINER, 0000 MS
DALE W GEORGE, 0000 MS
DUNCAN A GILLIES II, 0000 MS
MATTHEW E GRIFFITH, 0000 MS
JEFFREY C HAGLER, 0000 JA
DAVID P HARPER, 0000 MS
JASON S HAWLEY, 0000 MS
JOSHUA P HERZOG, 0000 MS
CRISTL E HIGHTOWER, 0000 AN
MATTHEW S HING, 0000 MS
AARON B HOLLEY, 0000 MS
CHAD K HOLMES, 0000 MS
ROBERT P HUSTON, 0000 JA
JOHN T HYATT, 0000 JA
PAULA J JACKSON, 0000 MS
MATTHEW A JAVERNICK, 0000 MS
JEFFERSON W JEX, 0000 MS
TIMOTHY W JUDGE, 0000 MS
DANIEL E KIM, 0000 MS
BRIAN K KONDRAT, 0000 AN
HERBERT P KWON, 0000 MS
LOUIS J LAND, 0000 MS
LLEWELLYN V LEE, 0000 MS
BILLY W MAHANEY, 0000 MS
GREGORY T MCCAIN, 0000 MS
DAWN M MCDOWELLTORRES, 0000 MS
MATTHEW M MILLER, 0000 JA
STEVE B MIN, 0000 MS
ANGELITA MOORE, 0000 MS
WESLEY A MORGAN, 0000 AN
SHERRY D MOSLEY, 0000 AN
BRETT A NELSON, 0000 MS
CHUCK T NGUYEN, 0000 MS
JEREMY C PAMPLIN, 0000 MS
DINA S PAREKH, 0000 MS
SCOTT L PARIS, 0000 AN
PARESH R PATEL, 0000 MS
WILLIAM D PORTER, 0000 MS
DUNFORD N POWELL, 0000 MC
NANCY L RABAGO, 0000 AN
PATRICK A RANEY, 0000 MS
EDWARD C REDDINGTON, 0000 JA
PHYLLIS A RHODES, 0000 AN
BRENDA A RICHARDS, 0000 AN
PEACHES A RICHARDS, 0000 MS
RUTH A RING, 0000 AN
MARK A ROBINSON, 0000 MS
DOUGLAS W ROGERS, 0000 AN
LARRY S ROGERS, 0000 MS
SONYA I ROWE, 0000 AN
JEFFREY N SCHMIDT, 0000 MS
TOD W SCHNETZLER, 0000 AN
RONALD J SHANK, 0000 AN
DONALD G SHIPMAN, 0000 SP
W B SIMS, 0000 AN
EUGENE K SOH, 0000 MS
JOHN W SONG, 0000 MS
ABRAHAM W SUHR, 0000 MS
BRENT A TINNEL, 0000 MS
BRIAN K TRAWICK, 0000 AN
PAUL S URIBE, 0000 MS
AMBER L VEGH, 0000 MS
MELVIN E WAGNER, 0000 MS
MARVETTA WALKER, 0000 AN
MICHELLE L WICKSTROM, 0000 MS
PATRICIA M WILLIAMS, 0000 SP
JOE C WILSON, 0000 AN
MARY A WITT, 0000 AN

EXTENSIONS OF REMARKS

SOCIAL WORK MONTH

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. UNDERWOOD. Mr. Speaker, Guam has designated the month of March 2001 as ''Social Work Month''—the focus revolving around the 23rd Anniversary of the Guam Association of Social Workers (GASW), their 20th annual training conference and the formal establishment of the Guam Chapter of the National Association of Social Workers (NASW).

For the past 23 years GASW has endeavored to establish a network that would provide professional support for social workers in the region. Already in its 20th year, the annual GASW training conference has served to promote and facilitate this objective. This year, conferees from the many islands of Micronesia gathered together on Guam to discuss, learn, and share the latest issues, techniques, and information pertaining to the rapidly changing and demanding field of Social Work.

This year's theme, ''Trends in Health, Technology and Human Services,'' focused upon key issues such as the formation of communities through the processes of inclusion and exclusion, the complex situations of the people involved, and the need for increased skill, thorough analysis, creative visions, and solutions in order for social workers to become better advocates for the community. These issues were addressed and their objectives were met.

This year also marks the establishment of the Guam Chapter of the National Association of Social Workers (NASW). After seven years of negotiations and plenty of hard work, the organization's president Gerard Schwab recently announced that the board of directors had approved their by laws and articles of incorporation. The Chapter is now registered with the Guam Department of Revenue and Taxation. With creation of the Guam Chapter, members within the region stand to benefit from access to the resources of the national association. In addition, Guam is now a voting member of the NASW in national social policy matters. I am sure that this organization will bring together colleagues in the field of Social Work enabling them to pool their resources together and work collectively towards mutual benefits.

''Social Work Month'' culminated with an awards dinner where awards for Community Service and the Social Worker of the Year were presented. This year's Community Service Award was presented to the Community Social Development Unit (CSDU) of the Department of Youth Affairs (DYA). Dr. Ulla-Katfina Craig was named Social Worker of the Year.

First established in 1996, CSDU was brought about by the Department of Youth Affairs to provide community-based outreach programs to troubled youth and their families. From one satellite office, CSDU has now expanded to three district offices where approximately 30 programs are administered by 40 professional staff members. Staff members work weekends and holidays providing services to more than 400 clients per week.

Dr. Craig is the director of the Micronesian Health and Aging Studies at the University of Guam. Originally, an engineer, she decided to shift her area of concentration in order to closely work with people rather than spend her time inanimate objects. She has published numerous articles and is considered an authority on aging and neurological and behavioral disorders. Having worked closely with Dr. Craig, I can vouch for the fact that she is a great communicator, advocate and nurturer. She has a personable, approachable and loving way that crosses over language, culture and social barriers.

Also deserving of note are the Guam Alliance for Mental Health Incorporated (GAMHI), the Guam Housing and Urban Renewal Authority, and PacifiCare Asia Pacific, this year's nominees for the Community Service Award. Louise Toves, Grace R. Taitano, and Monica Tinkham, on the other hand, were the nominees for Social Worker of the Year. They are all winners in my book.

As we go about with our daily lives, we must take a moment to reflect upon the services provided by the people dedicated to the field of Social Work. With the recent unfortunate incidents plaguing the nation, especially, the island of Guam, we depend upon these people to provide the necessary guidance and direction that will enable us to heal and, hopefully, prevent future problems. I congratulate this year's awardees, the Guam Association of Social Workers (GASW), and the Guam Chapter of the National Association of Social Workers (NASW). I urge them to keep up the good work and I wish them all the best in the years to come.

CROATIAN SONS LODGE NUMBER 170

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. VISCLOSKY. Mr. Speaker, it is my distinct honor to congratulate the Croatian Sons Lodge Number 170 of the Croatian Fraternal Union on the festive occasion of its 94th Anniversary and Golden Member banquet on Sunday, April 29, 2001.

This year, the Croatian Fraternal Union will hold this gala event at the Croatian Center in Merrillville, Indiana. Traditionally, the anniversary celebration entails a formal recognition of the Union's Golden Members, those who have achieved fifty years of membership. This year's honorees who have attained fifty years of membership include: Edwin C. Bronikowski, Anthony Bucich, Virginia Carija, Anna Gee, Mary Kocevar, Michael E. Krall, Catherine Michael, Basil Movchan, Dorothy Pavlakovic, Ethel M. Podrebarac, Rose Marie Radulovich, Martha Sablich, Mary Stewart, and Theresa M. Znika.

These loyal and dedicated individuals share this prestigious honor with over 300 additional Lodge members who have previously attained this important designation.

This memorable day will begin with a morning mass at Saint Joseph the Worker Catholic Church in Gary, Indiana, with the Reverend Father Benedict Benakovich officiating. The festivities will be culturally enriched by the performance of several Croatian musical groups. The Hoosier Hrvati Adult Tamburitza Orchestra directed by Jerry Banina, the Croatian Glee Club ''Preradovic,'' and the Croatian Strings Tamburitzans and Junior Dancers directed by Dennis Barunica will perform at this gala event. A formal dinner banquet will end the day's festivities.

Mr. Speaker, I urge you and my other distinguished colleagues to join me in commending Lodge president Betty Morgavan, and all the other members of the Croatian Fraternal Union Lodge Number 170, for their loyalty and radiant display of passion for their ethnicity. The Croatian community has played a key role in enriching the quality of life and culture of Northwest Indiana. It is my hope that this year will bring renewed hope and prosperity for all members of the Croatian community and their families. I am proud to represent these gifted residents of the First Congressional District of Indiana.

RECOGNIZING VALOR IN THE CAPTURE OF JAMIL ABDULLAH AL-AMIN

HON. BOB BARR

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. BARR of Georgia. Mr. Speaker, all too often, federal law enforcement agents are criticized for problems that occur under their watch, without receiving the same level of attention when things go well. In an effort to partially correct this trend, I would like to commend three employees of the United States Marshals Service (USMS) for their extraordinary bravery in the capture of Jamil Abdullah Al-Amin.

Formerly known as H. Rap Brown, Al-Amin has a long history of encouraging and participating in violent action. That history continued, when on March 16, 2000, he shot two Fulton County, Georgia sherrif's deputies. After learning that Al-Amin was hiding in the Selma, Alabama area, a federal manhunt began.

After Al-Amin was located in a wooded area, he fired upon USMS personnel with an assault rifle. Despite the danger Al-Amin posed to their lives, Inspectors Jerry Lowery and Joseph Parker, and Deputy U.S. Marshal James Ergas maneuvered through the snake infested woods toward Al-Amin.

They succeeded in containing the armed suspect for two hours while awaiting backup,

and established a perimeter. Due to their competence and bravery, Al-Amin was arrested without further loss of life, and the weapons he used in both incidents were recovered.

The bravery of Inspectors Lowery and Parker, and Deputy Ergas is yet another example of the high standards of professionalism and dedication honored by federal law enforcement officers every day. I add my voice to the many others who truly appreciate the work they do to keep our homes, schools, and neighborhoods safe.

STRUCTURED SETTLEMENT PROTECTION ACT

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. STARK. Mr. Speaker, I join today with Mr. Shaw and a broad bipartisan group of our colleagues from the House Ways and Means Committee in introducing the Structured Settlement Protection Act.

I was the Chairman of the Ways and Means Subcommittee that considered the original bipartisan legislation in 1982 that enacted the structured settlement tax rules. The Ways and Means Committee, acting on a bipartisan basis, adopted the structured settlement tax rules that are in the Code today to provide long-term financial protection to seriously-injured victims and their families, so that these families would not have to turn to taxpayer-financed programs to meet their basic living and medical needs.

As a long-time supporter of structured settlements, I have been gravely concerned about the impact of so-called ''factoring''—in which future damage payments are sold off for a discounted lump sum—on this long-term financial security that Congress intended to achieve for injured victims and their families. That is why I have worked actively with Mr. Shaw and our colleagues on the Ways and Means Committee over several years to put forward legislation to protect structured settlements and the injured victims and their families who depend upon them.

The Structured Settlement Protection Act that we are introducing today with broad bipartisan support on the Ways and Means Committee will bring a final resolution to the factoring issue, protecting the hundreds of thousands of structured settlement recipients and the longstanding Congressional policy of almost two decades.

The Act works in conjunction with complementary State structured settlement protection legislation that already has been enacted by 19 States and is under active consideration in an additional 20 States. The Act and the complementary State legislation rely upon a State court review process to ensure that the structured settlement fulfills its intended purpose of providing long-term financial protection for injured people, while enabling the victim to get access to future payments if the court determines that such access is in the best interests of the injured person, taking into account the welfare and support of his or her dependents, and determines that the sale of future payments does not violate any State or Federal statutes or existing court orders.

This Federal legislation is necessary to ensure compliance with State regulation given the nationwide operation of the factoring industry, to encourage the remaining States to adopt the necessary regulatory legislation, and to put to rest tax uncertainties that factoring transactions have created for the other parties to the structured settlement.

I understand that the Act has the support of both the National Structured Settlements Trade Association on behalf of the structured settlement industry and the National Association of Settlement Purchasers on behalf of the factoring industry. Given this joint support, the legislation should be non-controversial.

We have worked hard on a bipartisan basis to resolve this issue. I strongly urge that we move forward to enact this bipartisan legislation as soon as possible.

TRIBUTE TO HERMOSA BEACH POLICE CHIEF VAL STRASSER

HON. JANE HARMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Ms. HARMAN. Mr. Speaker, a man with an even bigger heart retired March 31 as chief of police for the city of Hermosa Beach.

Chief Val Strasser served the community tirelessly. Joining the Hermosa Beach police force on September 16, 1973, he was promoted through the ranks until he was appointed chief in July 1993. During the course of his career, he made many friends and I am proud to be counted among them.

Chief Strasser was the epitome of community policing. He is remembered for fostering close ties between the department and the community. He understood that for law enforcement to be successful, it has to enlist all citizens and recruit them to be vigilant.

Chief Strasser had an open-door policy and encouraged citizens to drop in without an appointment to share their concerns, offer advice, or just plain complain. He always received them warmly and always tried to be responsive. Along the way, he made many, many friends and admirers.

Mr. Speaker, the city of Hermosa Beach is known for its surf, sand, and sea. Because of the leadership of Chief Strasser and the dedication of his officers and civilian personnel, Hermosa Beach is also a safe city where residents and visitors can enjoy its small town quaintness as well as its diverse cultural and recreational opportunities.

Val Strasser will be remembered fondly by residents and this Member of Congress. I join in wishing the best to Chief Strasser and his wife, Becky, as they look forward to their retirement years together.

IN RECOGNITION OF DR. THOMAS E. STARZL

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. MURTHA. Mr. Speaker, I would like to pay tribute to Dr. Thomas E. Starzl, a pioneer in the field of organ transplantation, on this year's 20th anniversary of the first liver transplant performed in Pittsburgh.

Born on March 11, 1926 in LeMars, Iowa, Dr. Starzl received a bachelor's degree in biology at Westminster College before going on to earn a master's degree in anatomy, a Ph.D. in neurophysiology, and an M.D. with distinction at Northwestern University Medical School. Following postgraduate work and a number of surgical fellowships and residencies, he returned to Northwestern University to serve on its faculty. Dr. Starzl moved on to the University of Colorado School of Medicine in 1962, and performed the world's first human liver transplant the following year.

Dr. Starzl joined the University of Pittsburgh School of Medicine, which already had an established kidney transplant program, in 1981 as a professor of surgery. On February 26 of that year he performed the region's first liver transplant. Amazingly, of the 30 transplant patients that first year, 11 are still alive today because of Dr. Starzl's commitment to the great promise of the procedure despite earlier failed attempts.

A major factor in the success of organ transplantation is the development of immunosuppressant drugs. Dr. Starzl was instrumental in this development, which advanced transplantation to an accepted form of treatment for patients with end-stage diseases of the liver, kidney and heart. It also shed light on the possibility that other organs could be successfully transplanted.

With Dr. Starzl as chief, the University of Pittsburgh transplant program soon became the largest in the world. In the past two decades, over 11,300 transplants have been performed at UPMC Presbyterian, Children's Hospital of Pittsburgh, and the VA Pittsburgh Healthcare System, and major advances by university faculty have had a tremendous impact on the entire field of transplantation. Among the countless ''firsts'' for this transplant program are the world's first multivisceral transplant, heart/liver transplant, and heart/liver/kidney transplant.

From the first successful liver transplant in 1967, through the development of surgical techniques and anti-rejection drugs that revolutionized the field, to his pioneering efforts at xenotransplantation, Dr. Starzl is among the most cited scientists in the field of clinical medicine. Now retired from clinical practice, he continues to influence all aspects of organ transplantation as director emeritus of the institute that now bears his name, the Thomas E. Starzl Transplantation Institute.

Mr. Speaker, I hope my colleagues will join me in honoring Dr. Tom Starzl for his tireless devotion and countless accomplishments in the field of organ transplantation.

TRIBUTE TO THE LATE ALBERT TAITANO CARBULLIDO

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. UNDERWOOD. Mr. Speaker, the island of Guam bids farewell to an esteemed public servant. Albert Taitano Carbullido, a colleague in the field of government service and public administration, passed away on March 23, 2001, at the age of eighty-two.

He was born on January 19, 1919, in the village of Agat, Guam—the son of Antonio

Pangelinan and Maria Taitano Carbullido. On September 23, 1945, he married the former Nieves Pangelinan Martinez. They had eight children: Concepcion, Bernadita, Catalina, Clara, Jaime, Sylvia, Paulina, and Antonio. He was the patriarch of his family—greatly loved by his children and grandchildren. He touched the lives of many nephews, nieces and their children. He understood the meaning of family and served as a role model for parenting on Guam.

Mr. Carbullido's legacy lies in the field of community and public service. He served in executive capacities for the Guam legislature, the Guam Election Commission and the Guam Housing and Urban Renewal Authority. He was also chosen to sit in a number of Government of Guam boards and commissions. He was a member of the Chamorro Heritage Foundation, the Guam Economic Development Authority, and the Agency for Human Resource and Development. He also served as the Arbitrator for the Guam Federation of Teachers (GFT)/Department of Education Grievance Board. In addition to his government service, his record also includes employment in the private sector where he worked in various capacities for the Bank of America, the Bank of Guam, and James Lee Enterprises.

Civic activities and affiliations led Mr. Carbullido towards leadership posts in a number of the island's civic organizations. Aside from being the founder of the Guam Diabetes Association, he was also active with Rotary Club of Guam and the Young Men's League of Guam. Within the Roman Catholic Church, he served as a Eucharistic Minister. He belonged to the parish of Our Lady of the Waters in Mongmong. He was also a member of the Holy Name Society and the Knights of Columbus.

I personally knew Mr. Carbullido for nearly 30 years. He was the quintessential public servant. He provided public service in a number of capacities and he did so with a dignity and demeanor which was inspiring. He was honest, dignified, intelligent and conscientious. He was an excellent role model. We all had notions about his political loyalties, but politics always took a back seat to public service in all of the positions which he took on during his life.

Albert Taitano Carbullido leaves behind not only a grateful wife and family, but a grateful island. I join his family in celebrating his life, honoring his achievements and mourning the loss of a husband, father, community leader, and fellow public servant.

TRIBUTE TO ESTHER KRISTOFF

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. VISCLOSKY. Mr. Speaker, it is with great honor and esteem that I congratulate Esther Kristoff on her retirement from the Girl Scouts of the Calumet Council after 32 years of service as the executive director. Esther has dedicated her career to providing the guidance that our children need, a service that is far too rare in today's society. She will be honored at a retirement celebration to be held on April 30, 2001.

Esther Kristoff has enjoyed an outstanding career with the Girl Scouts of the Calumet Council. When she became the executive director in 1969, she had already devoted over 16 years to the organization. She has held a myriad of positions, from troop leader and troop organizer to member of the Board of Directors. Esther has given innumerable hours of service to the Girl Scouts, but it is the quality of her work that is most impressive. She has received every one of the local Girl Scout Council awards that were available to her, including the Appreciation and Honor Pins and Thanks Badges I and II for outstanding service to both the Council and the surrounding community. In 1998, she received the Girl Scout service pin for 45 years of devoted service.

A graduate of Purdue University Calumet in Hammond, Indiana, Esther has undergone extensive training in the field of management. She has trained at such highly regarded institutions as Columbia University and Harvard University. She has also learned tremendously from her instruction experiences at Case Western Reserve University and the GSUSA Training Center in New York. The knowledge she gained from these programs has enabled her to become a true leader within the Council and the community.

Esther's history of volunteerism is impressive and praiseworthy. She has held a variety of positions and enjoys sharing her experiences with others. She served as president of the Hammond Woodmar Kiwanis from 1993-1995 and was recognized for her outstanding work and loyal service. She is an active member and secretary of the executive committee at the Lake Area United Way. Esther has also volunteered her time to work with local political leaders for the improvement of her community. She has worked with the Hammond mayor's office on several committees, the latest being the Hammond Marketing Committee. While on this committee she helped to organize the Keep Hammond Beautiful program and the Hammond Pride Week celebration. Esther has also served as a guest speaker for the Hammond Historical Society and as a volunteer speaker for the Lake Area United Way speaker's bureau.

Mr. Speaker, I ask you and my distinguished colleagues to join me in congratulating Esther Kristoff as she celebrates her retirement from the Girl Scouts of the Calumet Council after 48 years of service and 32 years of service as the executive director. Her commitment to the youth of Northwest Indiana should be recognized and must be commended. She has dedicated her life and her career to helping others, and her efforts will surely be missed.

THE MONUMENT TO FRIENDSHIP, CARTERSVILLE, GEORGIA

HON. BOB BARR

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. BARR of Georgia. Mr. Speaker, the value of true friendship is too easy to lose sight of in today's society. We work so hard to provide for ourselves and our families, that we too often take for granted the selfless and generous deeds done by our closest friends.

I am proud to say Cartersville, Georgia, is home to an eternal reminder of the invaluable gift of unconditional friendship: The Monument to Friendship.

The monument's distinction as the world's only known memorial dedicated to friendship, is just part of its unique story. Mark A. Cooper, who created the monument in 1860, deserves a special place in the annals of Georgia history in his own right. A pioneer of one of Georgia's first railroad and ironworks ventures, Cooper laid the groundwork for the industrial and agricultural development of the Etowah River area of northwest Georgia, in the mid-19th century,

Ironically, Mark Cooper's Etowah Iron Works only survived the region's pre-Civil War economic slowdown because of a loan from 38 of his friends. After repaying the generous loan in full, Cooper honored his creditors with this timeless marble monument.

As if his business and community development endeavors were not enough, Cooper shone as a celebrated volunteer soldier, a longtime state legislator, and a U.S. Congressman. He served on the Board of Trustees of the University of Georgia for 40 years until his death in 1885.

The Monument to Friendship embodies noble Georgia values, just as Mark A. Cooper's memory personifies the ideal Georgia citizen. I join in recognizing the importance of a monument to all of our truest friends.

INTRODUCTION OF THE MEDICARE MENTAL HEALTH MODERNIZATION ACT OF 2001

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. STARK. Mr. Speaker, today I join with Senator WELLSTONE and my House colleagues to introduce legislation that is long overdue. The Medicare Mental Health Modernization Act of 2001 does just what its title says—it updates and improves Medicare mental health benefits, removing the many roadblocks to treatment faced by seniors and people with disabilities.

This comprehensive legislation modernizes Medicare mental health coverage in three important areas:

Parity for Mental Health Services. Current benefit structure discriminates against people seeking treatment for mental health and substance abuse conditions. In effect, Medicare imposes a ''mental health tax'' by requiring a 50 percent co-pay for outpatient mental health services instead of the 20 percent co-pay required for most other Part B medical services. In addition, there is a 190 day lifetime cap on psychiatric hospital services—even though no similar cap on inpatient services exists for any other health condition. These discrepancies perpetuate the stigma surrounding mental illness and must be eliminated.

Our bill would eliminate the discriminatory 190 day lifetime cap and reduce the 50 percent co-pay for outpatient mental health services to the 20 percent level enjoyed for other Part B medical services.

Coverage of Community-Based Mental Health Services. Not only does our nation's largest healthcare program impose discriminatory limits and copayments, its overall mental health benefit package is outdated and inadequate. The net result is that seniors and people with disabilities don't have access to the

latest, most cost-effective mental health treatments.

In the past few decades, there have been tremendous advances in mental health diagnosis and treatment. We know that mental health conditions are like other health conditions. With appropriate treatment, some conditions can be resolved entirely while others require lifelong management. The same is true for physical illnesses like diabetes or multiple sclerosis. Furthermore, as the 1999 Surgeon General's report concludes, ''a wide variety of community-based services are of proven value for even the most severe mental illnesses.'' Yet with few meager exceptions, Medicare mental health benefits have remained virtually unchanged since they were enacted in 1965.

To correct these flaws, the Medicare Mental Health Modernization Act would allow beneficiaries to access a range of community-based residential and outpatient services that appropriately reflect the state-of-the-art in mental health treatment.

For example, although inpatient psychiatric services remain important, community-based crisis programs provide an evidence-based alternative to institutional care. Recognizing that fact, our bill would create Medicare coverage for up to 120 days/year for intensive residential services, such as mental illness residential treatment programs and substance abuse treatment centers.

In addition, for the relatively small percentage of Medicare beneficiaries with the most serious and disabling mental illnesses, this legislation would make available a range of intensive outpatient services. Research confirms that these innovative services provide necessary skill training and supports that help people with brain disorders, such as schizophrenia and bi-polar disorder, function better. In fact, costly inpatient hospitalizations can be reduced by as much as 60 percent. Examples of intensive outpatient services include Programs of Assertive Community Treatment (PACT), psychiatric rehabilitation, and intensive case-management.

Improved Beneficiary Access to Medicare-Covered Services. The Medicare Mental Health Modernization Act would also address professional shortages and potentially discriminatory coverage criteria that can leave vulnerable beneficiaries unable to access care. According to the Surgeon General,

> the supply of well-trained mental health professionals also is inadequate in many areas of the country, especially in rural areas. Particularly keen shortages are found in the numbers of mental health professionals serving . . . older people.''

The Medicare Mental Health Modernization Act addresses these professional shortages by allowing marriage and family therapists and mental health counselors who are licensed or certified at the state level to provide Medicare-covered services. It also ensures that clinical social workers can continue to provide psychotherapy in nursing homes by allowing them to bill Medicare directly for these services as psychiatrists and clinical psychologists can do. Finally, because coverage criteria for therapy services require beneficiaries to demonstrate ''continuing clinical improvement,'' our bill would mandate a study to determine whether these criteria discriminate against people with Alzheimer's disease and related mental illnesses.

There is no question that our country's senior citizens and people with disabilities have significant mental health and substance abuse needs. Consider data from the 1999 Surgeon General's report on mental health and the 2001 Robert Wood Johnson report on substance abuse:

> Major depression is strikingly prevalent among older people. In primary care settings, 37 percent of senior citizens demonstrate symptoms of depression and impaired social functioning. Furthermore, older people have the highest rate of suicide of any age group—accounting for 20 percent of all suicide deaths.
>
> About 20 percent of individuals age 55 and older experience specific mental disorders that are not part of normal aging. Unrecognized and untreated depression, Alzheimer's disease, anxiety, late-onset schizophrenia, and other mental conditions can lead to severe impairment and even death.
>
> Older Americans tend to underutilize mental health services—only 50 percent of those who acknowledge mental health problems receive treatment.
>
> Approximately 17 percent of adults over 65 suffer from addiction or substance abuse, particularly alcohol and prescription drug abuse. While addiction often goes undetected and untreated among older adults, aging and disability makes the body more vulnerable to the effects of alcohol and drugs, further exacerbating other age-related health problems.
>
> Nearly 1 out of every 4 Medicare dollars spent on inpatient hospital care is associated with substance abuse.
>
> About 5 percent of American adults experience a serious mental illness that is disabling with respect to employment, self-care, and interpersonal relationships. In fact, nearly 90 percent of people with serious mental illnesses are unemployed.
>
> Nearly one-third of non-elderly, disabled Medicare beneficiaries have a primary diagnosis of mental illness.

Policymakers on both sides of the aisle agree that Medicare's mental health benefits are woefully inadequate and out-of-date—yet none of the current Medicare reform proposals specifically address mental health. As a country, will we continue to stigmatize mental illness and deny elderly and disabled individuals access to mental health services that can improve their health and well-being? To me, the bottom line is clear—mental health modernization must be part of any fundamental Medicare reform.

On a national level, there is positive movement in this direction. On January 1, 2001, an executive order brought parity to 9 million Federal employees, retirees, and their dependents—providing them with improved mental health benefits equal to those for physical conditions. Most states and even many large corporations now recognize that unequal coverage for mental illnesses is not only discriminatory, but costs more money in the long run.

That's because untreated mental illness can lead to high cost hospitalization and crime—not to mention personal and family suffering, suicide, homelessness, lost productivity, and partial or total disability. These comprise the ''indirect'' costs of untreated mental illness. Together, these direct and indirect costs are tremendous. Yet over the past decade, spending for mental health care has declined relative to overall health spending and accounts for a mere 7 percent of total health expenditures.

The Medicare Mental Health Modernization Act is an important step forward in providing comprehensive mental health coverage for senior citizens and people with disabilities. It ends Medicare's longstanding discriminatory mental health benefits and recognizes that state-of-the-art mental health care takes place in the community. This bill will assure that the mental health needs of elderly and disabled Americans are more fully addressed.

A range of mental health advocacy organizations representing consumers, family members, and professionals has endorsed this bill. These include: American Association of Geriatric Psychiatry; American Association of Marriage and Family Therapists; American Association of Pastoral Counselors; American Association of Suicidology; American Counseling Association; American Foundation for Suicide Prevention; American Group Psychotherapy Association; American Mental Health Counselors Association; American Occupational Therapy Association; American Orthopsychiatric Association; American Psychological Association; Association for Ambulatory Behavioral Health; Association for the Advancement of Psychology; Bazelon Center for Mental Health Law; Clinical Social Work Federation; International Association of Psychosocial Rehabilitation Services; Kristin Brooks Hope Center; National Alliance for the Mentally Ill; National Association of Anorexia Nervosa and Associated Disorders; National Association of County Behavioral Health Directors; National Association of Psychiatric Health Systems; National Association of School Psychologists; National Association of Social Workers; National Mental Health Association; National Resource Center for Suicide Prevention and Aftercare; Suicide Awareness/Voices of Education; Suicide Prevention and Advocacy Network; Suicide Prevention Services of Illinois; The National Hopeline Network 1–800–SUICIDE; and Tourette Syndrome Association.

I urge my colleagues to join us in support of this important legislation.

A TRIBUTE TO REDONDO BEACH COUNCILMAN BOB PINZLER

HON. JANE HARMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Ms. HARMAN. Mr. Speaker, I rise today to honor Bob Pinzler for his outstanding service to the citizens of Redondo Beach, California.

As a member of the Redondo Beach City Council for the past eight years, Bob demonstrated a profound commitment to civic service. He is known as a relentless advocate of better city government. He championed more effective use of technology by municipalities. He fought for infrastructure improvements and community development projects whose positive impacts have been felt throughout the City of Redondo Beach and indeed the entire South Bay.

Responding to his constituents' concerns about increased noise, pollution and traffic resulting from proposed expansion of Los Angeles International Airport, Bob worked with me and other civic leaders and elected officials on a task force shaping a regional approach to solving Southern California's air transportation needs. Our work continues, but Bob has made an invaluable contribution. I know that we will continue to work together on this issue.

In addition to his service on the Redondo Beach City Council, Bob is the current State League Director of the League of California Cities and was President of the League's Los Angeles County Division. He is the past president of the South Bay Cities Council of Governments. He is a member of the Regional Council of the Southern California Association of Governments and was vice-chair of the Santa Monica Bay Restoration Project.

Bob is a friend and an ally. I extend my very best wishes to him and his wife Arlene as they move into an exciting new chapter of their lives. It has always been a privilege to work with Bob and I invite my colleagues to join me in commending his exemplary public service.

ACCESS TO HEALTH CARE

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. MURTHA. Mr. Speaker, I want to express concern about the increasing challenges facing health care providers, both hospitals and long-term care providers. Pressed by continued government underfunding, inadequate managed care payments, exploding professional liability costs, growing numbers of uninsured, and workforce shortages, these providers are struggling to meet community needs. Access to care is being threatened.

At the federal level, we have been trying to right the wrongs created when the Balanced Budget Act of 1997 cut millions of dollars in Medicare payments to hospitals. We have made progress to return some of this money, but more must been done.

And to succeed, we need the continued support of all elements. I've spoken with Pennsylvania hospital administrators about efficiency, and Pennsylvania now has the second most cost-efficient system in the Nation. Costs in Pennsylvania acute care hospitals are 6 to 7 percent below their expected costs. Also I've spoken with Governor Ridge and Pennsylvania legislators about growing problems with nurse shortages, long-term care, and care for children and pregnant women and encouraged more support from the Commonwealth to help meet costs and address these problems.

In addition, a special independent Pennsylvania Legislative Budget and Finance Committee study released recently shows that hospitals' financial condition continues to deteriorate, and that Pennsylvania is paying only 74 cents for each dollar of Medical Assistance care provided.

The study reveals Pennsylvania hospital margins have deteriorated markedly since 1997, with total margins dropping to 2.4% in 1999 and operating margins averaging only .03%. Nationwide, total hospital margins in 1999 were 4.65% and operating margins were 1.07%.

The low margins in Pennsylvania's hospitals are not due to cost inefficiency since costs in Pennsylvania acute care hospitals are 6 to 7 percent below their expected costs. Pennsylvania hospitals are the second most cost efficient in the nation.

And add to the overall cost problem the fact that professional liability costs will go up this year a minimum of 35 to 50 percent and that we have a decreasing payment-to-cost ratio of commercial insurers, and a growing uninsured rate, the writing is on the wall. No organization can continue to survive and provide all the services our citizens need.

On the long-term care side, two reports delivered last week to the Pennsylvania Intra-Governmental Council on Long-Term Care revealed that Pennsylvania and long-term care providers must find new ways to raise the pay and status of long-term care workers or face an extended workforce crisis. There is a worker shortage across the ''spectrum of elder services'' that affects access to care and quality of care for our elderly. Turnover rates are skyrocketing. If we do not get a handle on this problem today, we will have a vulnerable population of seniors counting on a broken system that can't deliver.

Over one-third of long-term care providers reported serious problems finding and keeping direct-care workers. More than 40 percent of private nursing homes and home-care and home-health agencies report a serious problem with either recruitment or retention of workers.

We have Area Agencies on Aging with growing waiting lists because people can't arrange home services for needy clients. Nursing homes are looking to temp agencies to fill vacancies among staff aides, and between one-third and one-fourth of the long-term care workforce in the state have less than one year's experience with their employer.

Currently about 94,000 Pennsylvanians are employed by more than 3,400 providers to help dress, feed, bathe and transport frail elderly persons. Low pay and low respect are to blame. Combine these issues with a growing demand for services and we find long-term care providers in a major dilemma.

We have the second largest senior population in Pennsylvania and an ever-growing number of seniors over the age of 80. Access to healthcare and all forms of long-term care are critical. Pennsylvania leaders, Congress and health care professionals must all work together to resolve these problems.

TRIBUTE TO THE LATE HONORABLE ADRIAN C. SANCHEZ

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. UNDERWOOD. Mr. Speaker, I rise today to make note of the recent passing of the Honorable Adrian C. Sanchez, a distinguished member of the Eleventh, Twelfth and Thirteenth Guam Legislatures. He leaves behind his widow, Young, his children Doris, Diana, Josephine, and Adrian.

Senator Sanchez was bom on September 26, 1919 in the village of Hagåtña—the son of Simon Angeles and Antonia Cruz Sanchez. A product of the Guam public school system, he attended Padre Palomo Elementary, Leary Middle School and Seaton Schroeder Junior High School. He later received an Associate's Degree in Public Administration from the University of Guam and a Bachelor's degree in Business Administration from the Western States University.

His diverse and distinguished career began prior to World War II when he worked as a surveyor for the local Department of Records and Accounts. Between 1936 and 1938, he was employed as a school teacher by the Department of Education. He enlisted in the United States Navy in 1938 and served until his retirement in 1964. While in the Navy, he had the chance to serve in various capacities. He was the School Administrator for the Northern Marianas immediately after World War II and he also served as a member of the President's staff from 1958 until 1964. A veteran of World War II, the Korean War and the Vietnam War, he attained the rank of Master Chief Petty Officer—the highest enlisted rank in the United States Navy.

Upon his retirement, Senator Sanchez came back to Guam and was employed as the Assistant Director for the Department of Public Health and Social Services. Prior to his election to the Guam Legislature in 1970, he also served as Director of the Guam Department of Corrections and Deputy Director of the Guam Department of Public Works.

Senator Sanchez held office for three consecutive terms. As a Senator, he was known for his dedication towards the proliferation of the local culture. He is credited for having a day set aside to commemorate Guam's initial contact with European culture. Through his efforts, Discovery Day is now a local holiday celebrated with much fanfare in the village of Umatac.

Although the Senator retired from public service in 1976, his interest in the island's affairs led to memberships in a number of Government of Guam boards and commissions. He was appointed to the Territorial Planning Commission, the Guam Commission of Public Safety, the Guam Visitor's Bureau and the Guam Banking Commission. In addition to this, his civic and community involvement included active participation with the Guam Chapter of the American Cancer Society, the TB & Health Association, the Sons and Daughters of Guam Club in San Diego, the Guam Press Club, the Young Men's League of Guam, the Tamuning Church Holy Name Society and the Former Senators Association. As a military veteran, he also held memberships with the Veterans of Foreign Wars, the Fleet Reserve Association and the Guam Navy Club.

Having been a real estate broker and investor since 1970, Senator Sanchez was also a respected member of the local business community. He was affiliated with the Guam Board of Realtors, the National Association of Realtors, the Environmental Assessment Association, the International Institute of Valuers and the National Association of Review Appraisers and Mortgage Underwriters.

His dedication towards conveying the unique story of his people led Senator Sanchez to author a number of books. ''Two Lovers Point'' was published in 1971. Its second edition ''Two Lovers Point or Puntan Dos Amantes'' was released in 1991. In 1990, he wrote ''The Chamorro Brown Steward'' and his autobiography, ''Dano I.'', was published in 1993. For his work and accomplishments, Senator Sanchez received numerous awards—the most notable of which was the Governor's Lifetime Art Award.

Senator Adrian C. Sanchez leaves a great legacy of service and devotion to the island and people of Guam. A noted figure in field of education, military and public service, his accomplishments provide inspiration to us and

the generations yet to come. His perseverance and energy will forever live in our hearts. We will miss him. Adios, Senator Sanchez.

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. VISCLOSKY. Mr. Speaker, it is with great admiration and respect that I offer congratulations to some of Northwest Indiana's most dedicated and talented workers. On Saturday, April 7, 2001 the United Brotherhood of Carpenters and Joiners of America Local 599 in Hammond, Indiana will honor those members who have served for 25 years or more during their annual pin presentation award ceremony. Devoted to their craft, these skilled employees represent the hard work and blue-collar work ethic for which the citizens of Northwest Indiana pride themselves.

Local 599, led by President Dan Brown, will celebrate tenures ranging from 25 years to 65 years of service. Those members who will be honored for 65 years of service include: John A. Horvath and Richard C. Simpson. The carpenters who will be honored for 60 years of service include: Aaron F. Droke, Marvin Eriks, and Frank Heitzman. Those members who will be honored for 55 years of service include: Arnold Austgen, Edward J. Behling, Benjamin Boreland, Kenneth L. Brown, Lowell J. Goubeaux, Ralph Govert, Julius Housty, Harold Huntington, Lowell F. Lantrip, Sammy Maniscalco, Chester Przybyla, Lowell Swim, and Leonard Wolak. Those who will be honored for 50 years of service include: Charles Adair, Alan A. Burrell, Thomas J. Devich, Leslie W. Drake, John E. Hoffman, and Richard J. Wilson. Those who will be honored for 45 years of service include: Larnie J. Duncan, Leonard R. Geissendorfer, Chester E. Graham, Alan I. Hausworth, Joseph H. Hindahl, and Donald W. Scholte. John E. Blink will be honored for 40 years of service. Those members who will be honored for 35 years of service include: William J. Courtright, James Jendreas, Kenneth G. Krooswyk, Billy G. Mayo, John P. Potucek, John L. Powers, and John S. Sikich. The members who will be honored for 30 years of service include: Kenneth E. Collmar, Ronald L. Graham, Charles A. Maddox, and Albert J. Ovaert. Finally, those members who will be honored for 25 years of service include: Edward Cisarik, Dennis J. Fleener, James W. Hawk, Gregory F. Murzyn, Kenneth D. Shunway, Denzel K. Taylor, and Darryl A. Tharp.

Northwest Indiana has a rich history of excellence in its craftsmanship and loyalty by its tradesmen. These workers are all outstanding examples of each. They have mastered their trade and have consistently performed at the highest level throughout their careers. They have demonstrated their loyalty to both the union and the community through their hard work and self-sacrifice.

Mr. Speaker, I ask that you and my distinguished colleagues join me in congratulating these dedicated, hardworking, and honorable members of the United Brotherhood of Carpenters and Joiners of America Local 599 in Hammond, Indiana. They, along with all the local unions in Northwest Indiana, represent the backbone of our economic community, and I am very proud to represent them in Washington. They truly are the cornerstone of America's success.

COMMEMORATING THE 50TH ANNIVERSARY OF THE LOCKHEED-MARTIN PLANT IN MARIETTA, GEORGIA

HON. BOB BARR

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. BARR of Georgia. Mr. Speaker, there is a long list of places most Americans associate with the great efforts expended by our military to create, nurture, and protect democracy. That list includes names like Bunker Hill, Bellau Woods, Midway, Normandy, Chosin, Da Nang, and Kuwait City.

In my opinion, there is another location that is rarely listed on the rolls of great American military efforts, but has more than earned a place there. That place is Marietta, Georgia, home of Lockheed-Martin Aeronautical Systems Company.

This month, Lockheed-Martin will celebrate the 50th anniversary of its plant in Marietta, Georgia. During those years, the plant, and the men and women who have worked in it, have contributed immeasurably to the survival and prosperity of our nation.

Lockheed's Marietta plan began life as a factory for Bell Aircraft during World War II. By the end of World War II, the Bell plant was the biggest employer in Georgia, with over 28,000 employees. According to the Atlanta Journal-Constitution, more than one of every 20 people living in the metro Atlanta area at the end of the war worked for Bell.

In 1951, with the challenge of World War II behind us, and a new Cold War developing, the Bell plant was taken over by Lockheed. Planes manufactured under Lockheed's tenure include America's first production bomber, the B–47 Stratojet, the P–3 Orion subhunter, and the mighty C–5, C–141, and C–130 transports. More recently, the plant has been selected as the final assembly site for America's next generation air dominance fighter, the F–22 Raptor.

These aircraft are some of the most storied names in the history of American military aviation. They have cleared the skies of enemy fighters, deterred nuclear attacks on our shores, carried troops safely to battle, supplied them in the field, and saved the lives of countless wounded soldiers.

I hope all Members of the United States Congress will join me in offering a hearty ''thank you'' to the men and women of Lockheed-Martin Aeronautical Systems Company, in Marietta, Georgia, who continue to design, build, and repair the aircraft that keep America free and our fighting forces in command.

CONTRIBUTIONS TO FEDERAL CANDIDATES BY U.S. NATIONALS

HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. FALEOMAVAEGA. Mr. Speaker, I rise today to introduce legislation which will clarify campaign finance respect to contributions to federal candidates by U.S. nationals.

American Samoa is the only jurisdiction under U.S. authority in which a person can be born with the status of U.S. national, and over half of the residents of American Samoa are U.S. nationals but not citizens. A U.S. national is a person who owes his or her allegiance to the United States, but is not a citizen. U.S. nationals travel with U.S. passports and are eligible for permanent residence in the United States. They are not foreign citizens or foreign nationals. In fact, they have the same privileges and immunities as U.S. citizens, except that in the United States, they cannot hold public office, vote, serve as commissioned officers in the military services, hold certain security clearances, or hold positions which require high-level security clearances.

Mr. Speaker, federal campaign law currently specifies that U.S. citizens and permanent resident foreign nationals may make contributions to candidates for federal office. This section of law was enacted into law before American Samoa had a delegate in the House of Representatives. My concern is that if Congress changes this section of campaign finance law while we know of the U.S. national problem, our action could be interpreted to mean that Congress intended to prohibit non-citizen U.S. nationals from contributing to federal elections.

This would cause a major problem in American Samoa, because a majority of the residents of my Congressional district would be prohibited from contributing to candidates running for federal office, particularly the office of Delegate to the U.S. House of Representatives. Moreover, the U.S. nationals residing in the states and other territories of the United States, estimated to be approximately 100,000 to 130,000, would also be prohibited from contributing. Few U.S. nationals are aware of the U.S. citizen/U.S. national distinction made in federal campaign laws, and many contribute to candidates for the U.S. House, U.S. Senate, and to candidates for U.S. President. One interpretation of the law could find these candidates in violation of campaign finance laws for having received contributions from persons not authorized under the law.

This substance of this bill passed the House in the 106th Congress as part of broader legislation on the subject of campaign finance reform, but the provision was not enacted into law. As we continue the debate the financing of federal elections, I hope that we will be able to clarify this point of law also.

TRIBUTE TO RUDY NICHOLS

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. VISCLOSKY. Mr. Speaker, it is with great pleasure and esteem that I congratulate

Mr. Rudy Nichols and Mr. Lupe Valadez on their retirement from the United Steelworkers of America. Rudy has been a member of the USWA for over 45 years, while Lupe has served for over 50 years. These two men, along with their colleagues, help form the economic backbone for Northwest Indiana. Without their hard work and dedication, the communities of Northwest Indiana would indeed suffer. A retirement celebration will be held in their honor on April 21, 2001 at the Dynasty Banquet Center in Hammond, Indiana.

Rudy Nichols began his distinguished career at the age of 18 as an armature winder and motor inspector for Youngstown Sheet and Tube in East Chicago, Indiana in February, 1956. During that time, he became a member of USWA Local 1011 and served as an apprentice representative and shop steward. He later moved on to the Midwest Steel Division of National Steel in Portage, Indiana, where he became a member of Local 6103. Through his perseverance and undying loyalty he eventually became the president of the local, and served on several committees that were devoted to improving the quality of the workplace for its members. After 13 impressive years at National Steel, Rudy moved on to become the Safety and Health Coordinator for District 31 in August, 1978. He quickly moved up within the union and became the Sub District 4 Director, the position he currently holds. With Mary, his wife of 45 years, by his side, Rudy has watched as their two children, Walter and Rhonda, have grown to be outstanding citizens and parents of their own.

Lupe Valadez was the fourth of six sons born to Gerardo and Ventura Valadez on the south side of Chicago. After serving with the 2nd Infantry Division in Korea, Lupe came home to follow in his father's footsteps and begin working at U.S. Steel South Works, where he immediately became heavily involved in USWA Local 65. He eventually went on to serve the local in many capacities, including Public Relations Director, Assistant Grievanceman, and three terms as Financial Secretary. After more than 20 years of devoted and outstanding service, District 31 Director Jack Parton recognized the important qualities that Lupe could bring to the District office and hired him as an organizer. Within ten short years Lupe became the Organizing Coordinator for District 31. When the union consolidated in 1995, he became the first Organizing Coordinator for District 7, which encompasses the states of Indiana and Illinois. Lupe's first concern, however, has always been his family. His loving wife Olivia, and sons Dino, Nick, Michael, and John Paul can usually be seen helping with the numerous activities he is coordinating.

Mr. Speaker, I ask that you and my other distinguished colleagues join me in congratulating Rudy Nichols and Lupe Valadez on their retirement from the United Steelworkers of America. Unions are a vital aspect of the communities of Northwest Indiana, and these two men have shown the loyalty, perseverance, and work ethic that allow the unions to thrive. Their efforts will surely be missed by their coworkers and the citizens of Northwest Indiana.

COMMENDING THE AMERICAN FOOTBALL COACHES ASSOCIATION AND CLEAR CHANNEL COMMUNICATIONS

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. DUNCAN. Mr. Speaker, today, I introduced legislation commending the American Football Coaches Association and Clear Channel Communications for their dedication and efforts to protect children. These two organizations teamed up to provide a vital means for locating the Nation's missing, kidnapped and runaway children.

In 1997, the National Child Identification Program was created with the goal of fingerprinting 20 million children. This program provides a free fingerprint kit for parents. This ID Kit allows parents to take and store their child's fingerprints in their own home. This information then remains in the parents' possession. If it is ever needed, it gives authorities vital information to assist them in their efforts to locate a missing child.

In the program's first year, over 2 million identification kits were handed out at college football games across the country. Since that time, over 8 million of these kits have been distributed to parents. This is the largest child identification effort ever conducted.

Clear Channel Communications partnered with the American Football Coaches Association last September and has committed to raise millions of dollars to help provide a kit to every child in the country.

Mr. Speaker, I think our Nation would be a much better place if more organizations would join together like these have to help the innocent children in this country. Through this legislation, I would like to commend these two organizations for their efforts, and I hope my colleagues will join me as cosponsors of this bill.

IN TRIBUTE TO SHEILA GONZALEZ

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. GALLEGLY. Mr. Speaker, I rise to pay tribute to Sheila Gonzalez, who is leaving her post this month as executive officer, clerk and jury commissioner for the courts of Ventura County, California, after 14 years of dedicated service.

Fortunately for my constituents in Ventura County and Santa Barbara County's Carpinteria, she won't be going far. Sheila has accepted a position as the first-ever regional administrative director of Southern California for California's Administrative Office of the Courts. As liaison between the state and trial courts on technology, finance, human resources and other issues, Sheila will serve 10 counties, including those in my district.

Southern California is fortunate to have a dedicated, hardworking and intelligent professional working for them.

Sheila began her career in 1968 as a deputy clerk at the Glendale Municipal Court. She rose to court administrator before leaving in 1986 for her position as executive officer and clerk of the Ventura County Municipal Court. In 1989, the administrations and staffs of Ventura County's Municipal and Superior Courts combined, and the county's judges selected Sheila to oversee the new arrangement.

At Ventura County, Sheila earned a statewide reputation as a tireless administrator and innovator, which is why California recruited her for this new position. Among her innovations is the Taking the Courthouse to the Schoolroom program, which aims to educate students and teachers about the court system. She also chairs the Community Outreach Team.

Because of her dedication and innovative spirit, Sheila has received several prestigious awards. She received the 1993 Warren E. Burger Award for outstanding court achievement in court administration and the 1995 Judicial Council Distinguished Service Award for contributions to, and leadership in, the profession of judicial administration.

In addition, Sheila received the 1997 National Association for Court Management's Award of Merit for demonstrated leadership and excellence in administration and application of modern management and technological methods. In 1999, she received the Ernest C. Friesen Award of Excellence from the Justice Management Institute for vision, leadership and sustained commitment to the achievement of excellence in the administration of Justice.

She serves on numerous national, state and local associations, and has shared her expertise in numerous workshops and as a faculty member of the National Judicial College in Reno, Nevada.

Mr. Speaker, I know my colleagues will join me in wishing Sheila our best as she moves into the next phase of her career, and in thanking her for making our courts accessible and efficient for all.

CONGRATULATING NOTRE DAME'S WOMEN'S BASKETBALL TEAM

HON. PETER T. KING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 4, 2001

Mr. KING. Mr. Speaker, I rise today to note that Notre Dame is again a national champion. This past Sunday, Ruth Riley's two free throws with 5.8 seconds left secured a 68–66 victory over Purdue and gave the University of Notre Dame its first ever women's basketball national championship. Mr. Speaker, you can now add the names Riley, Ivey and McGraw to the rich tradition of Notre Dame athletics. The same institution which produced Rockne, the Four Horsemen and 21 national titles now has Muffet McGraw and a women's basketball national championship. It came down to two great teams, both struggling valiantly and never quitting. It truly was a classic confrontation. I want to commend Coach McGraw and the Fighting Irish for their class, grit and determination. Congratulations! Notre Dame is a winner again. Go Irish!

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, April 5, 2001 may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 24

9:30 a.m.
Agriculture, Nutrition, and Forestry
Business meeting to consider nominations for certain positions within the Department of Agriculture.
SD–562

10 a.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Bureau of Reclamation, of the Department of the Interior, and Army Corps of Engineers.
SD–124

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of the Interior.
SD–138

APRIL 25

9:30 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on agricultural trade issues.
SR–328A

10 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Corporation for National and Community Service.
SD–138

Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of the Army.
SD–192

1:30 p.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of Agriculture.
SD–138

APRIL 26

9:30 a.m.
Agriculture, Nutrition, and Forestry
To resume hearings on agricultural trade issues.
SR–328A

Agriculture, Nutrition, and Forestry
To continue hearings on agricultural trade issues.
SR–328A

2 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the National Nuclear Security Administration, Department of Energy.
SD–124

Armed Services
SeaPower Subcommittee
To hold hearings on proposed legislation authorizing funds for fiscal year 2002 for the Department of Defense and the Future Years Defense Program, focusing on strategic airlift and sealift imperatives for the 21st Century.
SR–232A

MAY 1

10 a.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for certain Department of Energy programs relating to Energy Efficiency Renewable Energy, science, and nuclear issues.
SD–124

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Forest Service, Department of Agriculture.
SD–138

Judiciary
To hold hearings to examine the legal issues surrounding faith based solutions.
SD–226

MAY 2

10 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of Veterans' Affairs.
SD–138

MAY 3

10 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of Agriculture, focusing on assistance to producers and the farm economy.
SD–138

2 p.m.
Appropriations
Energy and Water Development Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for Department of Energy environmental management and the Office of Civilian Radio Active Waste Management.
SD–124

MAY 8

10 a.m.
Judiciary
To hold hearings to examine high technology patents, relating to genetics and biotechnology.
SD–226

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of Energy.
Room to be announced

MAY 9

10 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the National Aeronautics and Space Administration.
SD–138

MAY 10

10 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Food and Drug Administration, Department of Health and Human Services.
SD–138

MAY 15

10 a.m.
Judiciary
To hold hearings to examine high technology patents, relating to business methods and the internet.
SD–226

MAY 16

10 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Federal Emergency Management Agency.
SD–138

JUNE 6

10 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the National Science Foundation and the Office of Science Technology Policy.
SD–138

JUNE 13

10 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Environmental Protection Agency and the Council of Environmental Quality.
SD–138

JUNE 20

10 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2002 for the Department of Housing and Urban Development.
SD–138

Daily Digest

HIGHLIGHTS

The House passed H.R. 8, Death Tax Elimination Act.

Senate

Chamber Action

Routine Proceedings, pages S3361–S3460

Measures Introduced: Fifteen bills and two resolutions were introduced, as follows: S. 686–700, and S. Con. Res. 31–32. **Pages S3435–36**

Measures Reported:

Special Report entitled "Legislative Activities of the Committee on Health, Education, Labor and Pensions during the 106th Congress". (S. Rept. No. 107–11)

S. Con. Res. 7, expressing the sense of Congress that the United States should establish an international education policy to enhance national security and significantly further United States foreign policy and global competitiveness, with an amendment in the nature of a substitute and with an amended preamble. **Page S3435**

Measures Passed:

Adjournment Resolution: Senate agreed to H. Con. Res. 93, providing for a conditional adjournment of the House of Representatives and a conditional recess or adjournment of the Senate. **Page S3399**

Congressional Budget Resolution: Senate continued consideration of H. Con. Res. 83, establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011, taking action on the following amendments proposed thereto: **Pages S3361–S3423**

Adopted:

By 51 yeas to 49 nays (Vote No. 67), Grassley Amendment No. 174 (to Amendment No. 170), to provide for additional agriculture assistance. **Pages S3361–75**

By 53 yeas to 47 nays (Vote No. 69), Harkin Amendment No. 185 (to Amendment No. 170), to make certain that no child is left behind and to maintain fiscal discipline by making a major investment in education, including a new mandatory investment in the Individual With Disabilities Education Act, and a commensurate reduction in the share of tax relief given to the wealthiest one percent of Americans. **Pages S3382–96**

By 96 yeas to 4 nays (Vote No. 70), Specter Amendment No. 186 (to Amendment No. 170), to increase discretionary health funding by $700,000,000. **Pages S3400–02**

By 84 yeas to 16 nays (Vote No. 72), Warner Amendment No. 189 (to Amendment No. 170), to increase the levels of new budget authority and budget outlays provided for the National Defense (050) major functional category for fiscal year 2002, and to make corresponding adjustments necessitated by those increases. **Pages S3406–16**

Rejected:

By 47 yeas to 53 nays (Vote No. 68), Conrad (for Johnson) Amendment No. 176 (to Amendment No. 170), to provide emergency assistance to producers of agricultural commodities in fiscal year 2001, and additional funds for farm and conservation programs during fiscal years 2002 through 2011. **Pages S3361–76**

By 47 yeas to 52 nays (Vote No. 71), Landrieu Amendment No. 188 (to Amendment No. 170), to allow for the continued transformation of the military, to fulfill congressional commitments to provide quality health care for active and retired military families, and to continue improvements in compensation, housing and other quality of life issues. **Pages S3405–15**

Pending:

Domenici Amendment No. 170, in the nature of a substitute. **Pages S3361–3423**

Motion to reconsider the vote by which Harkin Amendment No. 185 (to Amendment No. 170), listed above, was agreed to. **Page S3396**

Collins Amendment No. 190 (to Amendment No. 170), to establish a reserve fund to eliminate further cuts in Medicare payments to home health agencies.

Pages S3416–23

Stabenow/Johnson Amendment No. 191 (to Amendment No. 170), to eliminate further cuts in Medicare payments to home health agencies.

Pages S3416–23

A unanimous-consent time agreement was reached providing for further consideration of Collins Amendment No. 190 (to Amendment No. 170) and Stabenow Amendment No. 191 (to Amendment No. 170), both listed above, on Thursday, April 5, 2001, with votes to occur on or in relation to each amendment, beginning at 9:30 a.m. Further, that following the votes, Senator Conrad be recognized to offer an amendment relative to deficit reduction.

Page S3416

A unanimous-consent time agreement was reached providing that time on the reconciliation amendment be limited to up to 3 hours equally divided in the usual form and that it become the pending business at a time to be agreed upon by the two Leaders, but prior to 6 p.m. on Thursday, April 5, 2001; and that all other amendments offered on Thursday be limited to 30 minutes of debate each, equally divided in the usual form. Further, that any yielding of time from the resolution during the pendency of any remaining amendments be in order only by unanimous consent. Further, that the only first degree amendments in order on Friday, April 6, 2001, be those amendments submitted at the desk by 2 p.m. on Thursday with the exception of an amendment to be offered by the Minority Leader and an amendment to be offered by the Majority Leader and amendments cleared by the two managers.

Nominations Received: Senate received the following nominations:

Theodore William Kassinger, of Maryland, to be General Counsel of the Department of Commerce.

Sean B. O'Hollaren, of Oregon, to be an Assistant Secretary of Transportation.

John B. Taylor, of California, to be an Under Secretary of the Treasury.

Paula J. Dobriansky, of Virginia, to be an Under Secretary of State (Global Affairs).

Stephen A. Perry, of Ohio, to be Administrator of General Services.

Maurice A. Ross, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for the term of fifteen years.

Erik Patrick Christian, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for the term of fifteen years.

Chris Spear, of Virginia, to be an Assistant Secretary of Labor.

A routine list in the Army. **Pages S3459–60**

Messages From the House: **Page S3435**

Measures Referred: **Page S3435**

Statements on Introduced Bills: **Pages S3437–53**

Additional Cosponsors: **Pages S3436–37**

Amendments Submitted: **Pages S3454–58**

Additional Statements: **Pages S3433–35**

Notices of Hearings: **Page S3458**

Authority for Committees: **Pages S3458–59**

Record Votes: Six record votes were taken today. (Total—72)

Pages S3375, S3376, S3396, S3402, S3415, S3416

Adjournment: Senate met at 9 a.m., and adjourned at 9:53 p.m., until 9:15 a.m., on Thursday, April 5, 2001. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S3459.)

Committee Meetings

(Committees not listed did not meet)

DEFENSE AUTHORIZATION—SHIPBUILDING INDUSTRIAL BASE

Committee on Armed Services: Subcommittee on SeaPower concluded hearings on proposed legislation authorizing funds for fiscal year 2002 for the Department of Defense and the Future Years Defense Program, focusing on shipbuilding industrial base issues and initiatives, after receiving testimony from William P. Fricks, Newport News Shipbuilding, Newport News, Virginia; Gerald J. St. Pé, Northrop Grumman Litton Ship Systems, Pascagoula, Mississippi; and John K. Welch, General Dynamics Corporation, Falls Church, Virginia.

MAD COW DISEASE

Committee on Commerce, Science, and Transportation: Subcommittee on Consumer Affairs, Foreign Commerce, and Tourism concluded hearings to examine specific measures that have been taken in the United States to prevent bovine spongiform encephalopathy (BSE) "Mad Cow Disease" and assess their adequacy, after receiving testimony from Senators Campbell and Durbin; Richard T. Johnson, Special Advisor, National Institute of Neurological Disorders and Stroke, National Institutes of Health, and Stephen Sundlof, Director, Center for Veterinary Medicine, Food and Drug Administration, both of the Department of Health and Human Services; Alfonso Torres, Deputy

Administrator, and Linda Detwiler, Senior Staff Veterinarian, both of the Veterinary Services, Animal and Plant Health Inspection Service, Department of Agriculture; William D. Hueston, University of Maryland Virginia-Maryland Regional College of Veterinary Medicine, College Park; Chuck Schroeder, National Cattlemen's Beef Association, Caroline Smith DeWaal, Center for Science in the Public Interest, and Peter Lurie, Public Citizen's Health Research Group, all of Washington, D.C.; and James H. Hodges, American Meat Institute Foundation, and Richard Sellers, American Feed Industry Association, both of Arlington, Virginia.

INTERNATIONAL TRADE AND U.S. ECONOMY

Committee on Finance: Committee held hearings to examine certain issues with respect to international trade and the attendant implications for the United States and world economy, receiving testimony from Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System; and Mickey Kantor, Washington, D.C., former Secretary of Commerce and United States Trade Representative.

Hearings recessed subject to call.

NOMINATION

Committee on Foreign Relations: Committee concluded hearings on the nomination of Argeo Paul Cellucci, of Massachusetts, to be Ambassador to Canada, after the nominee, who was introduced by Senators Kennedy and Kerry, testified and answered questions in his own behalf.

PRESIDENTIAL APPOINTMENT PROCESS

Committee on Governmental Affairs: Committee held hearings to examine the current Presidential appointment process and the original purposes of the laws and processes affecting appointments, ascertain its effects on public service, and review recommendations for reform, receiving testimony from Sean O'Keefe, Deputy Director, Office of Management and Budget; Robert J. Nash, former Director, White House Office of Presidential Personnel, Paul C. Light, Brookings Institution, Scott Harshbarger, Common Cause, Patricia McGinnis, Council for Excellence in Government, and Norman J. Ornstein, American Enterprise Institute, all of Washington, D.C.; and G. Calvin Mackenzie, Colby College, Waterville, Maine.

Hearings continue tomorrow.

EMPLOYMENT LAWS CONSTITUTIONALITY

Committee on Health, Education, Labor, and Pensions: Committee concluded hearings to examine the constitutionality of employment laws, focusing on recent Supreme Court decisions affecting Congress' ability to redress employment discrimination and other unfair treatment of state employees, after receiving testimony from Dan Kimel, Florida State University, Tallahassee; Michael H. Gottesman, Georgetown University Law Center, Washington, D.C.; Marci A. Hamilton, Yeshiva University Benjamin N. Cardozo School of Law, New York, New York; and David A. Strauss, University of Chicago Law School, Chicago, Illinois.

BUSINESS MEETING

Committee on Indian Affairs: Committee ordered favorably reported S. 211, to amend the Education Amendments of 1978 and the Tribally Controlled Schools Act of 1988 to improve education for Indians, Native Hawaiians, and Alaskan Natives, with an amendment in the nature of a substitute.

CABLE AND VIDEO COMPETITIVE CHOICES

Committee on the Judiciary: Subcommittee on Antitrust, Business Rights, and Competition held oversight hearings on competitive choices in the cable and multichannel video industry, focusing on deregulation results, cable rate increases, the growing direct broadcast satellite service, and the emergence of new cable systems, receiving testimony from Eddy W. Hartenstein, Hughes Electronics Corporation/DIRECTV Global, El Segundo, California; Robert Sachs, National Cable Television Association, and Gene Kimmelman, Consumers Union, on behalf of the Consumer Federation of America, both of Washington, D.C.; Jerry Kent, Charter Communications, St. Louis, Missouri; and Robert J. Currey, RCN Corporation, Princeton, New Jersey.

Hearings recessed subject to call.

U.S. IMMIGRATION POLICY

Committee on the Judiciary: Subcommittee on Immigration concluded hearings to review certain issues with respect to United States immigration policy, including the migration process between the United States and Mexico, ensuring a safe haven for foreign victims of persecution, and proposed sex trafficking legislation that would protect against the victimization of women around the world, after receiving testimony from Warren R. Leiden, Berry, Appleman and Leiden, San Francisco, California, on behalf of the American Immigration Lawyers Association; Stephen Moore, Cato Institute, Cecilia Munoz, National Council of La Raza, and Karen K. Narasaki, National Asian Pacific American Legal Consortium, all of Washington, D.C.; Jennifer Kenney, PricewaterhouseCoopers, Chicago, Illinois; and Elizabeth C. Dickson, Ingersoll-Rand Company, Woodcliff Lake, New Jersey, on behalf of the U.S. Chamber of Commerce.

NOMINATION

Committee on Veterans' Affairs: Committee concluded hearings on the nomination of Tim S. McClain, of California, to be General Counsel, Department of Veterans Affairs, after the nominee, who was introduced by Anthony J. Principi, Secretary of Veterans Affairs, testified and answered questions in his own behalf.

INTELLIGENCE

Select Committee on Intelligence: Committee held closed hearings on intelligence matters, receiving testimony from officials of the intelligence community.

Also, on Tuesday, April 3, committee held closed hearings on intelligence matters, receiving testimony from officials of the intelligence community.

Committee recessed subject to call.

House of Representatives

Chamber Action

Bills Introduced: 104 public bills, H.R. 1387–1490; and 14 resolutions, H.J. Res. 43–44; H. Con. Res. 97–104, and H. Res. 114–117, were introduced. **Pages H1481–88**

Reports Filed: Reports were filed today as follows:

H. Con. Res. 73, expressing the sense of Congress that the 2008 Olympic Games should not be held in Beijing unless the Government of the People's Republic of China releases all political prisoners, ratifies the International Covenant on Civil and Political Rights, and observes internationally recognized human rights, amended (H. Rept. 107–40); and

H.R. 718, to protect individuals, families, and Internet service providers from unsolicited and unwanted electronic mail, amended (H. Rept. 107–41 Pt. 1). **Page H1481**

Speaker Pro Tempore: Read a letter from the Speaker wherein he appointed Representative Sununu to act as Speaker pro tempore for today. **Page H1413**

Guest Chaplain: The prayer was offered by the Guest Chaplain, Rabbi Jimmy Kessler. **Page H1413**

Suspensions: The House agreed to suspend the rules and pass the following suspensions that were debated on Tuesday, April 3:

Revised Edition of "Women in Congress": H. Con. Res. 66, authorizing the printing of a revised and updated version of the House document entitled "Women in Congress, 1917–1990" (agreed to by a yea and nay vote of 414 yeas to 1 nay, Roll No. 79); and **Pages H1415–16**

Chesapeake Bay Office of NOAA: H.R. 642, amended, to reauthorize the Chesapeake Bay Office of the National Oceanic and Atmospheric Administration (passed by a yea and nay vote of 406 yeas to 13 nays, Roll No. 81). **Page H1424**

Death Tax Elimination Act: The House passed H.R. 8, to amend the Internal Revenue Code of 1986 to phase out the estate and gift taxes over a 10-year period by a yea and nay vote of 274 yeas to 154 nays, Roll No. 84. **Pages H1424–58**

Rejected, by a recorded vote of 192 ayes to 235 noes, Roll No. 83, the Pomeroy motion to recommit the bill to the Committee on Ways and Means with instructions to report it back to the House with an amendment in the nature of a substitute that sought to revise estate tax and gift tax provisions and provide an exemption level that eliminates estate and gift tax liability for over two-thirds of those currently subject to the tax and to exempt at least 99 percent of all farms. **Pages H1456–57**

The Committee on Ways and Means amendment in the nature of a substitute now printed in the bill, H. Rept. 107–37, was considered as adopted pursuant to the rule. **Page H1426**

Rejected, by a yea and nay vote of 201 yeas to 227 nays, Roll No. 82, the Rangel amendment in the nature of a substitute that sought to revise estate tax provisions and increase the tax exclusion in 2002 to $2 million and double the amount for couples. **Pages H1445–55**

Agreed to H. Res. 111, the rule that provided for consideration of the bill, by a yea and nay vote of 413 yeas to 12 nays, Roll No. 80. **Pages H1416–24**

Resignations—Appointments: Agreed that notwithstanding any adjournment of the House until Tuesday, April 24, 2001, the Speaker, Majority Leader, and Minority Leader be authorized to accept resignations and to make appointments authorized by law or by the House. **Page H1458**

Calendar Wednesday: Agreed to dispense with the Calendar Wednesday business of Wednesday, April 25, 2001. **Page H1458**

Speaker Pro Tempore: Read a letter from the Speaker wherein he appointed Representative Wolf

to act as Speaker pro tempore to sign enrolled bills and joint resolutions through April 24. **Page H1458**

Investigative Subcommittees of the Committee on Standards of Official Conduct: The Chair announced that the Speaker named the following Members of the House to be available to serve on investigative subcommittees of the committee on standards of official conduct for the 107th Congress: Representatives Gekas, Chabot, LaTourette, Shadegg, Wicker; Moran of Kansas, Fossella, Green of Wisconsin, and Terry. **Page H1458**

Permanent Select Committee on Intelligence: The Chair announced the Speaker's appointment of Representative Peterson of Minnesota to the Permanent Select Committee on Intelligence. **Page H1463**

Quorum Calls—Votes: Five yea-and-nay votes and one recorded vote developed during the proceedings of the House today and appear on pages H1415, H1423–24, H1424, H1455, H1457, and H1457–58. There were no quorum calls.

Adjournment: The House met at 12:30 p.m. and at 6:58 p.m., pursuant to the provisions of H. Con. Res. 93, providing for a conditional adjournment of the House of Representatives and a conditional recess or adjournment of the Senate, it stands adjourned until 2 p.m. on Tuesday, April 24, 2001.

Committee Meetings

FEDERAL FARM COMMODITY PROGRAMS

Committee on Agriculture: Continued hearings on Federal Farm Commodity Programs, with the sorghum industry. Testimony was heard from Bill Kubecka, Vice President, Legislation, National Grain Sorghum.

Hearings continue tomorrow.

DISTRICT OF COLUMBIA APPROPRIATIONS

Committee on Appropriations: Subcommittee on the District of Columbia held a hearing on D.C. Courts; Police and Fire. Testimony was heard from the following officials of the District of Columbia: Rufus G. King, III, Chief Judge, Superior Court; Margaret Kellems, Deputy Mayor, Public Safety and Justice; Charles H. Ramsey, Chief, Metropolitan Police Department; Ronnie Few, Chief, Fire and Emergency Medical Services Department; Wilma A. Lewis, U.S. Attorney; and Arabella Teal, Principal Deputy Corporation Counsel.

INTERIOR APPROPRIATIONS

Committee on Appropriations: Subcommittee on Interior held a hearing on the National Endowment for the Humanities and the National Endowment for the Arts. Testimony was heard from the following officials of the National Foundation on the Arts and Humanities: William R. Ferris, Chairman, National Endowment for the Humanities; and William J. Ivey, Chairman, National Endowment for the Arts.

LABOR, HHS AND EDUCATION APPROPRIATIONS

Committee on Appropriations: Subcommittee on Labor, Health and Human Service and Education continued NIH Theme hearings. Testimony was heard from the following officials of NIH, Department of Health and Human Services: Ruth Kirschstein, M.D., Acting Director; Richard Hodis, M.D., Director, National Institute on Aging; Duane Alexander, M.D., Director, National Institute of Child Health and Human Development; Kenneth Olden, M.D., Director, National Institute of Environmental Health Sciences; Patricia Grady, M.D., Director, National Institute of Nursing Research; John Ruffin, M.D., Director, National Center on Minority Health and Health Disparities; Vivian Penn, M.D., Director, Office of Research on Women's Health; Gerald Keusch, M.D., Director, Fogarty International Center; Anthony Fauci, M.D., Director, National Institute of Allergy and Infectious Diseases; and Francis Collins, M.D., Director, National Human Genome Research Institute.

MILITARY FORCES POSTURE

Committee on Armed Services: Continued hearings on posture of U.S. military forces. Testimony was heard from Gen. Peter Pace, USMC, Commander in Chief, U.S. Southern Command, Department of Defense.

NATIONAL NUCLEAR SECURITY ADMINISTRATION REORGANIZATION PLAN

Committee on Armed Services: Special Oversight Panel on Department of Energy held a hearing on the reorganization plan of the National Nuclear Security Administration. Testimony was heard from John Gordon, Administrator, NASA.

DOD RECREATION PROGRAMS

Committee on Armed Services: Special Oversight Panel on Morale, Welfare and Recreation, hearing on morale, welfare and recreation programs of the Department of Defense. Testimony was heard from the following officials of the Department of Defense: Gail H. McGinn, Acting Assistant Secretary (Force Management Policy); Brig. Gen. Antonio M. Taguba, USA, Commanding General, Community and Family Support Center, Department of the Army; Rear Adm. Annette E. Brown, USN, Assistant Commander, Navy Personnel Command (PERS–6), Department of the Navy; Arthur Myers, Director, Air Force Services, Department of the Air Force; and

Brig. Gen. Michael Downs, USMC (Ret.), Director, Personnel and Family Readiness Division, Headquarters, U.S. Marine Corps; and public witnesses.

PATIENTS FIRST

Committee on Energy and Commerce: Subcommittee on Health and Environment and the Subcommittee on Oversight and Investigations held a joint hearing on Patients First: A 21st Century Promise to Ensure Quality and Affordable Health Coverage. Testimony was heard from the following officials of the Department of Health and Human Services: Mark Miller, Acting Director, Center for Health Plans and Providers, Health Care Financing Administration; and Michael Mangano, Acting Inspector General; and public witnesses.

CHILDREN'S INTERNET PROTECTION ACT REVIEW

Committee on Energy and Commerce: Subcommittee on Telecommunications and Internet held a hearing on E-Rate and Filtering: A Review of the Children's Internet Protection Act. Testimony was heard from public witnesses.

AMERICAN BUSINESSES—CAPITAL AVAILABILITY

Committee on Financial Services: Subcommittee on Capitol Markets, Insurance and Government Sponsored Enterprises and the Subcommittee on Financial Institutions and Consumer Credit held a joint hearing on promotion of capital availability to American businesses. Testimony was heard from Laurence H. Meyer, member, Board of Governors, Federal Reserve System; John D. Hawke, Jr., Comptroller of the Currency, Department of the Treasury; and public witnesses.

POSTAL SERVICE'S UNCERTAIN FINANCIAL OUTLOOK

Committee on Government Reform: Held a hearing on the ''The U.S. Postal Service's Uncertain Financial Outlook.'' Testimony was heard from David M. Walker, Comptroller General, GAO; and the following officials of the U.S. Postal Service: William J. Henderson, Postmaster General; S. David Fineman, Vice Chairman, Tirso del Junco, Alan C. Kessler, Ernesta Ballard and Ned R. McWherter, all members, Board of Governors.

MISCELLANEOUS MEASURES

Committee on the Judiciary: Ordered reported the following measures: H.J. Res. 41, amended, proposing an amendment to the Constitution of the United States with respect to tax limitations; and H.R. 1209, Child Status Protection Act of 2001.

OVERSIGHT—BUSINESS METHOD PATENTS

Committee on the Judiciary: Subcommittee on Courts, the Internet, and Intellectual Property held an oversight hearing on ''Business Method Patents.'' Testimony was heard from Nicholas Godici, Acting Under Secretary, Intellectual Property and Acting Director, U.S. Patent and Trademark Office, Department of Commerce; and public witnesses,

OVERSIGHT

Committee on Resources: Subcommittee on Energy and Mineral Resources and the Subcommittee on Forests and Forest Health held a joint oversight hearing on Energy Impacts of the Roadless Rule. Testimony was heard from Randy Phillips, Deputy Chief, Programs and Legislation, Forest Service, USDA; Alan G. Lance, Attorney General, State of Idaho; and public witnesses.

OVERSIGHT

Committee on Resources: Subcommittee on Fisheries, Conservation, Wildlife and Oceans held an oversight hearing on the implementation of the Sustainable Fisheries Act and the reauthorization of the Magnuson-Stevens Fishery Conservation and Management Act. Testimony was heard from William T. Hogarth, Acting Assistant Administrator, Fisheries, National Marine Fisheries Service, NOAA, Department of Commerce; and public witnesses.

SPACE STATION COST OVERRUN

Committee on Science: Held a hearing on Space Station Cost Overrun. Testimony was heard from the following officials of NASA: Daniel S. Goldin, Administrator; and Russell A. Rau, Assistant Inspector General, Audits; Marcia S. Smith, Specialist, Aerospace and Telecommunications Policy, Congressional Research Service, Library of Congress; and a public witness.

TRANSPORTATION SYSTEM CONGESTION

Committee on Transportation and Infrastructure: Held a hearing on Congestion in the U.S. Transportation System. Testimony was heard from Norman Y. Mineta, Secretary of Transportation.

VA'S INFORMATION TECHNOLOGY PROGRAM

Committee on Veterans' Affairs: Subcommittee on Oversight and Investigations held a hearing on Department of Veterans Affairs Information Technology Program. Testimony was heard from the following officials of the Department of Veterans Affairs: Anthony J. Principi, Secretary; and Richard J. Griffin, Inspector General; David L. McClure, Director, Information Technology Management Issues, GAO; and public witnesses.

NATION'S UNINSURED

Committee on Ways and Means: Subcommittee on Health held a hearing on the Nation's Uninsured. Testimony was heard from Steven B. Larsen, Commissioner, Insurance Administration, State of Maryland; and public witnesses.

BRIEFING—COLLECTION ISSUES

Permanent Select Committee on Intelligence: Met in executive session to receive a briefing on Collection Issues. The Committee was briefed by departmental witnesses.

BRIEFING—ELINT ISSUES

Permanent Select Committee on Intelligence: Subcommittee on Technical and Tactical Intelligence met in executive session to receive a briefing on ELINT Issues. The Subcommittee was briefed by departmental witnesses.

COMMITTEE MEETINGS FOR THURSDAY, APRIL 5, 2001

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Environment and Public Works: Subcommittee on Clean Air, Wetlands, Private Property, and Nuclear Safety, to resume hearings to examine the interaction between United States environmental regulations and energy policy, 9 a.m., SD–406.

Committee on Finance: to hold hearings to examine the impact of certain scams on taxpayers, 10 a.m., SD–215.

Committee on Governmental Affairs: to continue hearings on the state of the Presidential appointments process, 10 a.m., SD–342.

Committee on Indian Affairs: to hold oversight hearings to examine the goals and priorities of the United South and Eastern Tribes (USET) for the 107th Congress, 9:30 a.m., SR–485.

Committee on the Judiciary: to hold hearings on the nominations of Larry D. Thompson, of Georgia, to be Deputy Attorney General and Theodore B. Olson, of the District of Columbia, to be Solicitor General of the United States, both of the Department of Justice, 10 a.m., SC–5, Capitol.

House

Committee on Agriculture, to continue hearings on Federal Farm Commodity Programs, 9:30 a.m., 1300 Longworth.

Committee on Education and the Workforce, Subcommittee on Employer-Employee Relations, hearing on Enhancing Retirement Security and H.R. 10, Comprehensive Retirement Security and Pension Act of 2001, 10:30 a.m., 2175 Rayburn.

Committee on Energy and Commerce, Subcommittee on Oversight and Investigations, hearing entitled "Protecting America's Critical Infrastructures: How Secure are Government Computer Systems?" 9:30 a.m., 2322 Rayburn.

Committee on Government Reform, Subcommittee on the Census, hearing on "BEA: Is the GDP Accurately Measuring the U.S. Economy?" 2 p.m., 2247 Rayburn.

Subcommittee on Government Efficiency, Financial Management, and Intergovernmental Affairs, hearing on H.R. 577, to require any organization that is established for the purpose of raising funds for the creation of a Presidential archival depository to disclose the sources and amounts of any funds raised, 10 a.m., 2154 Rayburn.

Committee on Small Business, hearing on implications of the procurement policies of the Pentagon that favored China, and other foreign countries, as suppliers of berets for the Army rather than this Nation's small businesses, 10 a.m., 2360 Rayburn.

Next Meeting of the SENATE

9:15 a.m., Thursday, April 5

Senate Chamber

Program for Thursday: Senate will continue consideration of H. Con. Res. 83, Congressional Budget Resolution, with votes to occur on or in relation to Stabenow/Johnson Amendment No. 191 (to Amendment No. 170) and Collins Amendment No. 190 (to Amendment No. 170), beginning at 9:30 a.m.

Next Meeting of the HOUSE OF REPRESENTATIVES

2 p.m., Tuesday, April 24

House Chamber

Program for Tuesday: To be announced.

Extensions of Remarks, as inserted in this issue

HOUSE

Barr, Bob, Ga., E533, E535, E538
Duncan, John J., Jr., Tenn., E539
Faleomavaega, Eni F.H., American Samoa, E538
Gallegly, Elton, Calif., E539
Harman, Jane, Calif., E534, E536
King, Peter T., N.Y., E539
Murtha, John P., Pa., E534, E537
Stark, Fortney Pete, Calif., E534, E535
Underwood, Robert A., Guam, E533, E534, E537
Visclosky, Peter J., Ind., E533, E535, E538, E538

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