United States real property interests, and for other purposes.

S. 1188

At the request of Ms. COLLINS, the name of the Senator from New Hampshire (Ms. AYOTTE) was added as a cosponsor of S. 1188, a bill to amend the Internal Revenue Code of 1986 to modify the definition of full-time employee for purposes of the individual mandate in the Patient Protection and Affordable Care Act.

S. 1235

At the request of Mr. TOOMEY, the name of the Senator from Mississippi (Mr. WICKER) was added as a cosponsor of S. 1235, a bill to restrict any State or local jurisdiction from imposing a new discriminatory tax on cell phone services, providers, or property.

S. 1254

At the request of Mr. NELSON, the names of the Senator from California (Mrs. BOXER), the Senator from New Mexico (Mr. HEINRICH) and the Senator from Oregon (Mr. WYDEN) were added as cosponsors of S. 1254, a bill to amend the Harmful Algal Blooms and Hypoxia Research and Control Act of 1998, and for other purposes.

S. 1269

At the request of Mr. FRANKEN, the name of the Senator from Alaska (Mr. BEGICH) was added as a cosponsor of S. 1269, a bill to amend the Workforce Investment Act of 1998 to support community college and industry partnerships, and for other purposes.

S. 1272

At the request of Mr. ROBERTS, the name of the Senator from Illinois (Mr. KIRK) was added as a cosponsor of S. 1272, a bill to provide that certain requirements of the Patient Protection and Affordable Care Act do not apply if the American Health Benefit Exchanges are not operating on October 1, 2013.

S. 1282

At the request of Ms. WARREN, the names of the Senator from California (Mrs. BOXER), the Senator from Massachusetts (Mr. MARKEY) and the Senator from Wisconsin (Ms. BALDWIN) were added as cosponsors of S. 1282, a bill to reduce risks to the financial system by limiting banks' ability to engage in certain risky activities and limiting conflicts of interest, to reinstate certain Glass-Steagall Act protections that were repealed by the Gramm-Leach-Bliley Act, and for other purposes.

S. 1300

At the request of Mr. FLAKE, the name of the Senator from Wyoming (Mr. BARRASSO) was added as a cosponsor of S. 1300, a bill to amend the Healthy Forests Restoration Act of 2003 to provide for the conduct of stewardship end result contracting projects.

S. 1302

At the request of Mr. HARKIN, the name of the Senator from North Carolina (Mrs. HAGAN) was added as a cosponsor of S. 1302, a bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986 to provide for cooperative and small employer charity pension plans.

S. 1313

At the request of Mr. RUBIO, the name of the Senator from Missouri (Mr. BLUNT) was added as a cosponsor of S. 1313, a bill to promote transparency, accountability, and reform within the United Nations system, and for other purposes.

S. 1320

At the request of Mr. DONNELLY, the names of the Senator from Arkansas (Mr. PRYOR) and the Senator from Hawaii (Mr. SCHATZ) were added as cosponsors of S. 1320, a bill to establish a tiered hiring preference for members of the reserve components of the armed forces.

S. 1335

At the request of Ms. MURKOWSKI, the names of the Senator from Idaho (Mr. RISCH) and the Senator from South Dakota (Mr. THUNE) were added as cosponsors of S. 1335, a bill to protect and enhance opportunities for recreational hunting, fishing, and shooting, and for other purposes.

S. 1343

At the request of Mr. GRASSLEY, the name of the Senator from Kansas (Mr. ROBERTS) was added as a cosponsor of S. 1343, a bill to protect the information of livestock producers, and for other purposes.

S. 1349

At the request of Mr. MORAN, the name of the Senator from North Carolina (Mrs. HAGAN) was added as a cosponsor of S. 1349, a bill to enhance the ability of community financial institutions to foster economic growth and serve their communities, boost small businesses, increase individual savings, and for other purposes.

S. 1351

At the request of Mr. THUNE, the name of the Senator from Wyoming (Mr. ENZI) was added as a cosponsor of S. 1351, a bill to provide for fiscal gap and generational accounting analysis in the legislative process, the President's budget, and annual long-term fiscal outlook reports.

S. 1385

At the request of Mr. COONS, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 1385, a bill to provide for the appointment of additional Federal circuit and district judges, and for other purposes.

S. CON. RES. 13

At the request of Mr. CASEY, the name of the Senator from New Hampshire (Mrs. SHAHEEN) was added as a cosponsor of S. Con. Res. 13, a concurrent resolution commending the Boys & Girls Clubs of America for its role in improving outcomes for millions of young people and thousands of communities.

S. RES. 206

At the request of Mr. SESSIONS, the name of the Senator from Massachusetts (Ms. WARREN) was added as a cosponsor of S. Res. 206, a resolution designating September 2013 as ''National Prostate Cancer Awareness Month''.

S. RES. 208

At the request of Mr. CARDIN, the name of the Senator from Colorado (Mr. UDALL) was added as a cosponsor of S. Res. 208, a resolution designating the week beginning September 8, 2013, as ''National Direct Support Professionals Recognition Week''.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WYDEN (for himself and Ms. MURKOWSKI):

S. 1419. A bill to promote research, development, and demonstration of marine and hydrokinetic renewable energy technologies, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. WYDEN. Mr. President, today Senator MURKOWSKI and I are introducing legislation to promote a new form of hydropower, marine hydrokinetic renewable energy, or MHK. An MHK project generates energy from waves, currents, and tides in the ocean, an estuary or a tidal area as well as from the free-flowing water in a river, lake, or stream.

Our bill will help commercialize MHK technologies through research and development and a more efficient and timely regulatory process for the siting of pilot projects intended to demonstrate the viability of these technologies. It is an ideal follow-up to a pair of bills, H.R. 267 and H.R. 678, to streamline the regulatory process for low-impact conventional hydropower that were reported by the Committee on Energy and Natural Resources by unanimous bipartisan votes a few months ago. Considered together, the two conventional hydropower bills approved by the Committee along with this MHK legislation are a major step forward in advancing carbon-free hydropower technologies.

MHK has tremendous potential to generate a substantial amount of clean renewable energy in the United States and across the globe. It is poised to be a key participant in the transition to a low carbon economy.

What distinguishes MHK from conventional hydropower is that it generates energy without the use of a dam or other impoundment. This gets MHK off on the right foot in terms of minimizing any adverse environmental impact. Investments to capture our nation's rich domestic marine energy resources can also play a major role in the creation of essential domestic engineering and manufacturing jobs.

The energy contained in predictable waves, tidal flows and currents is the basis for worldwide investments in this emerging industry. Water is approximately 800 times denser than air, providing great potential power density along with predictability. These characteristics mean that MHK technologies could provide predictable

base-load renewable power in the future.

At the present time there are many different types of MHK technologies with multiple applications under development that are intended to capture the power contained in waves, tides and currents.

Wave energy devices capture the heave and/or surge power of waves and convert them via hydraulic or geared direct drive systems into electricity. Some of these devices are moored to the ocean floor, some are floating on the surface, while others are attached to breakwaters near shore. By last count, there are over 100 wave energy devices under development worldwide. Tidal energy technologies capture the ebb and flow of tides. It is estimated that 60 different tidal energy technologies are under development worldwide. There are other technologies that include run-of-river systems and offshore ocean current technologies. Most of these technologies under development capture uni-directional water flows and look similar to the tidal devices.

The United States has not been a world leader in the development of these cutting edge technologies to date. Instead, our country is seen as a huge potential market for our international competitors in this new industrial sector. The United States has significant wave, tidal, current and instream energy resources. The Electric Power Research Institute has estimated that the commercially available wave energy potential off the coast of the United States is roughly 252 million megawatt hours—equal to 6.5 percent of today's entire generating portfolio. This is approximately the amount of electricity presently being produced by the existing fleet of American conventional hydroelectric dams.

The Department of Energy, DOE, has released two nationwide resource assessments that indicate the waves, tides, and ocean currents off the nation's coasts could contribute significantly to the United States' total annual electricity production. DOE is currently developing an aggressive strategy to support its vision of producing at least fifteen percent of our nation's electricity from water power, including conventional hydropower, by 2030.

Our goal should be the establishment of a commercially viable U.S. MHK renewable energy industry, supported by a robust domestic supply chain for fabrication, installation, operations and maintenance of MHK devices. The development of a substantial marine hydrokinetic industry in the U.S. could drive billions of dollars of investment in heavy industrial and maritime sectors, as well as in advanced electrical systems and materials common to many renewable technologies. Federal investments would stimulate private funds and jobs in the construction, manufacturing, engineering, and environmental science sectors.

I am very pleased that my home State of Oregon has made a strategic decision to be an international leader in the commercialization of the marine renewable energy industry. Led by the Oregon Wave Energy Trust, the Northwest National Marine Renewable Energy Center co-located at Oregon State University, and several private companies that are part of the MHK supply chain, Oregon is positioning itself to be a leading force supporting this newly emerging industry.

Unfortunately, the U.S. is falling behind in the race to capture the rich energy potential of our oceans and the jobs that will come with this new industry. The United Kingdom, Ireland, Portugal, Scotland, Australia, and other countries are committed to producing emission-free, renewable energy from MHK sources. Scotland has had a grid-connected, wave energy convertor unit in operation since 2001 and maintains a national goal of producing 2 GW of generation capacity from MHK renewable energy. The U.K. and Ireland have also set aggressive goals for MHK generation by 2020.

The Ocean Renewable Energy Coalition, the industry's trade group here in Washington DC, calculates that more than $782 million has been spent by the UK government on wave energy R&D over the past 10 years. That total approaches $1 billion over the same period if you add in the commitments to ocean energy R&D from France, Portugal, Spain, Norway, and Denmark.

Early funding support, along with development of full-scale device testing centers, demonstrates that the significant technological advances and the competitive advantages in this industry are trending in Europe's direction. As an example of the disparity in investments, Europe currently has several wave and tidal energy test facilities, led by the European Marine Energy Center in Scotland, that are helping technology developers commercialize their wave and tidal energy convertors. The United States clearly has a need for such infrastructure. I know that Oregon State University has a strong desire to compete for funding to help establish a testing center in the Pacific Northwest. Unfortunately, recent funding levels have not supported development of such offshore testing infrastructure in the U.S. to date.

Given this internationally competitive situation, I believe that Congress must make targeted Federal investments to close the gap. Commercialization of technologies to harness marine renewable energy resources will require Federal funding to augment research and development efforts already underway in the private sector. Just as the wind and solar industries have received DOE funding support for over 3 decades, which has resulted in the rapid deployment of these technologies in recent years, the nascent marine energy industry seeks similar Federal assistance to develop promising technologies that are on the verge of commercial viability.

Unfortunately, in addition to the limited private sector funding available to these startup companies, permitting and regulatory obstacles are tremendous disincentives to technology developers of marine energy projects in the United States. While other countries have adopted permitting and regulatory regimes that appear to be more efficient, the United States is still struggling with how to permit and regulate these technologies. I cannot overstate the seriousness of this problem. To give just one example, it took one MHK developer 5 years and $2 million to obtain a license from the Federal Energy Regulatory Commission for a 1.5 megawatt project.

The regulatory situation is simply unacceptable and is greatly slowing progress in the MHK industry. Until companies get projects in the water, Congress and the public will not learn about the environmental impacts, engineering challenges or the true costs of offshore renewables.

Capturing the benefits of our vast marine-based renewable resources will require a mix of new incentives, updated regulatory regimes and general outreach and education. However, the most important actions that can be taken by the Federal Government in the short term are to provide the necessary resources for research, development and demonstration of various marine renewable energy technology platforms and a workable and efficient regulatory process. Increased federal support will accelerate deployment of these technologies, create thousands of high paying jobs, give confidence to investors, and help attract private capital.

The Marine and Hydrokinetic Renewable Energy Act of 2013 helps accomplish these goals in a number of ways. It reauthorizes the DOE's MHK research, development and demonstration 3 programs, including the National Marine Renewable Energy Research, Development, and Demonstration Centers.

Increased resources for the DOE Water Power Program will enable the United States to leverage its technological superiority in shipbuilding and offshore oil and gas production. This will create jobs and diversify these maritime industries. In the absence of such funding, however, the United States will have to depend on foreign suppliers for ocean energy technologies, and will have missed a significant opportunity to expand our economic competiveness in this renewable energy sector.

The regulatory component of the bill makes the regulatory process for MHK of not more than 10 MW more efficient and timely. It modifies and improves the FERC ''pilot license'' process in many ways. Improvements include a goal to complete the pilot license process in 12 months or less; a designation of FERC as the ''Lead Agency'' for the purpose of coordinating environmental review; a clarification that any shut

down requirement be ''reasonable,'' and a clarification that an MHK project does not need to be removed when it is shut down if FERC deems leaving it in place is preferable for environmental and other reasons

MHK is a clean, home-grown, emissions-free source of electricity that can improve the security and reliability of the electric grid. Investing in MHK research, development and demonstration today will pay great dividends in the future. MHK has tremendous potential to benefit the United States and the entire world. Now is the time to move forward on MHK and the Marine and Hydrokinetic Renewable Energy Act is the way to do it.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1419

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) SHORT TITLE.—This Act may be cited as the ''Marine and Hydrokinetic Renewable Energy Act of 2013''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—MARINE AND HYDROKINETIC RENEWABLE ENERGY TECHNOLOGIES

Sec. 101. Definition of marine and hydrokinetic renewable energy.

Sec. 102. Marine and hydrokinetic renewable energy research and development.

Sec. 103. National Marine Renewable Energy Research, Development, and Demonstration Centers.

Sec. 104. Authorization of appropriations.

TITLE II—MARINE AND HYDROKINETIC RENEWABLE ENERGY REGULATORY EFFICIENCY

Sec. 201. Marine and hydrokinetic renewable energy projects and facilities.

TITLE I—MARINE AND HYDROKINETIC RENEWABLE ENERGY TECHNOLOGIES

SEC. 101. DEFINITION OF MARINE AND HYDROKINETIC RENEWABLE ENERGY.

Section 632 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17211) is amended in the matter preceding paragraph (1) by striking ''electrical''.

SEC. 102. MARINE AND HYDROKINETIC RENEWABLE ENERGY RESEARCH AND DEVELOPMENT.

Section 633 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17212) is amended to read as follows:

''SEC. 633. MARINE AND HYDROKINETIC RENEWABLE ENERGY RESEARCH AND DEVELOPMENT.

''The Secretary, in consultation with the Secretary of the Interior, the Secretary of Commerce, and the Federal Energy Regulatory Commission, shall carry out a program of research, development, demonstration, and commercial application to expand marine and hydrokinetic renewable energy production, including programs—

''(1) to assist technology development to improve the components, processes, and systems used for power generation from marine and hydrokinetic renewable energy resources;

''(2) to establish critical testing infrastructure necessary—

''(A) to cost effectively and efficiently test and prove marine and hydrokinetic renewable energy devices; and

''(B) to accelerate the technological readiness and commercialization of those devices;

''(3) to support efforts to increase the efficiency of energy conversion, lower the cost, increase the use, improve the reliability, and demonstrate the applicability of marine and hydrokinetic renewable energy technologies by participating in demonstration projects;

''(4) to investigate variability issues and the efficient and reliable integration of marine and hydrokinetic renewable energy with the utility grid;

''(5) to identify and study critical short- and long-term needs to create a sustainable marine and hydrokinetic renewable energy supply chain based in the United States;

''(6) to increase the reliability and survivability of marine and hydrokinetic renewable energy technologies, including development of corrosion-resistant and anti-fouling materials;

''(7) to verify the performance, reliability, maintainability, and cost of new marine and hydrokinetic renewable energy device designs and system components in an operating environment;

''(8) to coordinate and avoid duplication of activities across programs of the Department and other applicable Federal agencies, including National Laboratories;

''(9) to identify opportunities for joint research and development programs and development of economies of scale between—

''(A) marine and hydrokinetic renewable energy technologies; and

''(B) other renewable energy and fossil energy programs, offshore oil and gas production activities, and activities of the Department of Defense; and

''(10) to support in-water technology development with international partners using existing cooperative procedures (including memoranda of understanding)—

''(A) to allow cooperative funding and other support of value to be exchanged and leveraged; and

''(B) to encourage the participation of international research centers and companies in the United States and the participation of research centers and companies of the United States in international projects.''.

SEC. 103. NATIONAL MARINE RENEWABLE ENERGY RESEARCH, DEVELOPMENT, AND DEMONSTRATION CENTERS.

Section 634 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17213) is amended by striking subsection (b) and inserting the following:

''(b) PURPOSES.—The Centers (in coordination with the Department and National Laboratories) shall—

''(1) advance research, development, demonstration, and commercial application of marine and hydrokinetic renewable energy technologies;

''(2) support in-water testing and demonstration of marine and hydrokinetic renewable energy technologies, including facilities capable of testing—

''(A) marine and hydrokinetic renewable energy systems of various technology readiness levels and scales;

''(B) a variety of technologies in multiple test berths at a single location; and

''(C) arrays of technology devices; and

''(3) serve as information clearinghouses for the marine and hydrokinetic renewable energy industry by collecting and disseminating information on best practices in all areas relating to developing and managing marine and hydrokinetic renewable energy resources and energy systems.''.

SEC. 104. AUTHORIZATION OF APPROPRIATIONS.

Section 636 of the Energy Independence and Security Act of 2007 (42 U.S.C. 17215) is amended by striking ''2008 through 2012'' and inserting ''2014 through 2017''.

TITLE II—MARINE AND HYDROKINETIC RENEWABLE ENERGY REGULATORY EFFICIENCY

SEC. 201. MARINE AND HYDROKINETIC RENEWABLE ENERGY PROJECTS AND FACILITIES.

Part I of the Federal Power Act (16 U.S.C. 792 et seq.) is amended by adding at the end the following:

''SEC. 34. PILOT LICENSE FOR MARINE AND HYDROKINETIC RENEWABLE ENERGY PROJECTS.

''(a) DEFINITION OF HYDROKINETIC PILOT PROJECT.—

''(1) IN GENERAL.—In this section, the term 'hydrokinetic pilot project' means a facility that generates energy from—

''(A) waves, tides, or currents in an ocean, estuary, or tidal area; or

''(B) free-flowing water in a river, lake, or stream.

''(2) EXCLUSIONS.—The term 'hydrokinetic pilot project' does not include a project that uses a dam or other impoundment for electric power purposes.

''(b) PILOT LICENSES AUTHORIZED.—The Commission may issue a pilot license to construct, operate, and maintain a hydrokinetic pilot project that meets the criteria listed in subsection (c).

''(c) LICENSE CRITERIA.—The Commission may issue a pilot license for a hydrokinetic pilot project if the project—

''(1) will have an installed capacity of not more than 10 megawatts;

''(2) is for a term of not more than 10 years;

''(3) will not cause a significant adverse environmental impact or interfere with navigation;

''(4) is removable and can shut down on reasonable notice in the event of a significant adverse safety, navigation, or environmental impact;

''(5) can be removed, and the site can be restored, by the end of the license term, unless the project has obtained a new license or the Commission has determined, based on substantial evidence, that the project should not be removed because it would be preferable for environmental or other reasons not to; and

''(6) is primarily for the purpose of—

''(A) testing new hydrokinetic technologies;

''(B) locating appropriate sites for new hydrokinetic technologies; or

''(C) determining the environmental and other effects of a hydrokinetic technology.

''(d) LEAD AGENCY.—In carrying out this section, the Commission shall act as the lead agency—

''(1) to coordinate all applicable Federal authorizations; and

''(2) to comply with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

''(e) SCHEDULE GOALS.—

''(1) IN GENERAL.—Not later than 30 days after the date on which the Commission receives a completed application, and following consultation with Federal, State, and local agencies with jurisdiction over the hydrokinetic pilot project, the Commission shall develop and issue pilot license approval process scheduling goals that cover all Federal, State, and local permits required by law.

''(2) COMPLIANCE.—Applicable Federal, State, and local agencies shall comply with the goals established under paragraph (1) to the maximum extent practicable, consistent with applicable law.

''(3) 1-YEAR GOAL.—It shall be the goal of the Commission and the other applicable agencies to complete the pilot license process by not later than 1 year after the date on which the Commission receives the completed application.

''(f) SIZE LIMITATIONS.—

''(1) IN GENERAL.—The Commission may grant a pilot license for a project located in the ocean if the project covers a surface area of not more than 1 square nautical mile.

''(2) EXCEPTION.—The Commission, at the discretion of the Commission and for good cause, may grant a pilot license for a project that covers a surface area of more than 1 square nautical mile.

''(3) LIMITATION.—For proposed projects located in an estuary, tidal area, river, lake, or stream, the Commission shall determine the size limit on a case-by-case basis, taking into account all relevant factors.

''(g) EXTENSIONS AUTHORIZED.—On application by a project, the Commission may make a 1-time extension of a pilot license for a term not to exceed 5 years.''.

By Mrs. FISCHER (for herself, Mr. GRASSLEY, Mr. CRAPO, and Mr. RISCH):

S. 1420. A bill to amend title 31, United States Code, to provide for transparency of payments made from the Judgment Fund; to the Committee on the Judiciary.

Mrs. FISCHER. Mr. President, I rise to discuss legislation that I am introducing in the U.S. Senate today, the Judgment Fund Transparency Act.

As my colleagues may or may not know, the Judgment Fund is administered by the Treasury Department and is used to pay certain court judgments and settlements against the Federal Government. It is essentially an unlimited amount of money available to pay for Federal Government liability. It is not subject to the annual appropriations process, and even more remarkably, the Treasury Department has no reporting requirements, so these funds are paid out with very little oversight or scrutiny.

This is no small matter, as the Judgment Fund disburses billions of dollars in payments per year. In recent years, Treasury has paid the following from the Fund: fiscal year 2012—$2.9 billion, fiscal year 2011—$2.2 billion, fiscal year 2010—$1.1 billion, fiscal year 2009—$2.3 billion, fiscal year 2008—$790 million, fiscal year 2007—$1 billion, and fiscal year 2006—$628 million.

Before the Judgment Fund was established, claims against the government were assigned to a Congressional committee that would appropriate funds in order to pay liability, attorneys' fees, and costs associated with the claim. Once the Judgment Fund was established in 1956, however, Congressional committees stopped appropriating funds explicitly for this purpose. Now, if a government agency does not use its own annual budget to cover the costs, Treasury simply pays the bill out of the Fund.

Because the Treasury Department has no binding reporting requirements, few public details exist about where the funds are going and why, and the information that is readily accessible is only made available at the administration's discretion.

The U.S. Chamber of Commerce highlighted the nature of this problem in an article about the Judgment Fund written by Bill Kovacs on February 1, 2013:

> Without knowing who is being paid under the Judgment Fund and for what reason, not to mention the validity of the claim, Congress cannot oversee and control the federal governments litigation costs, risks and exposure. Simply, without disclosure Congress is being denied the opportunity to take effective mitigation measures against improper agency action that results in claims against the federal government. Non-disclosure of Judgment Fund payments hides from Congress what might be excessive markers of agency mismanagement and/or structural defects in statutes and programs. And due to a lack of reporting, Congress is denied the opportunity to understand claims against agencies that might shed light on how to improve agency operations.

The National Cattlemen's Beef Association has also decried the lack of oversight of the Judgment Fund by stating, ''Certain groups continuously sue the federal government, and Treasury simply writes a check to foot the bill without providing Members of Congress and American taxpayers basic information about the payment.''

The Judgment Fund Transparency Act seeks to address these problems by requiring a public accounting of the taxpayer funds distributed via the Judgment Fund to parties who bring successful claims against the Federal government.

The Judgment Fund Transparency Act promotes transparency and oversight by requiring the Treasury Department to post on a publicly accessible website the claimant, counsel, agency, fact summary, and payment amount for each claim from the Judgment Fund, unless a law or court order otherwise prohibits the disclosure of such information.

The Judgment Fund Transparency Act would increase transparency and oversight of the Fund and would provide Members of Congress and the public with the ability to see how taxpayers' dollars are being spent.

I am proud to introduce the Judgment Fund Transparency Act today and invite my colleagues to cosponsor this legislation.

By Mr. LEAHY:

S. 1421. A bill to amend the Internal Revenue Code of 1986 to provide a refundable tax credit for the installation of sprinklers and elevators in historic structures; to the Committee on Finance.

Mr. LEAHY. Mr. President, each year fire destroys hundreds of vulnerable historic buildings that serve as the anchors of America's vibrant villages and downtowns. These fires leave gaping holes in Main Streets all across the country. All have destroyed property. Some have taken lives. And many could have been prevented by sprinkler systems. This upfront but costly investment could have helped prevent the loss of life, reduced property damage, and decreased federal expenditures on rebuilding efforts after these fires.

To prevent fires from destroying buildings in historic downtowns and to preserve access to upper-story office, retail, and housing space in these buildings, I am introducing legislation today—the Historic Downtown Preservation and Access Act—that will create a 50 percent refundable tax credit, capped at $50,000, for the installation of fire sprinklers and elevators in older, multi-use buildings in historic downtowns.

Since 2000, Vermont has had more than a dozen significant downtown fires causing tens of millions of dollars of damage and taking at least three lives. The original owners of at least 8 of these buildings were unable to rebuild—leaving the critical task of rebuilding both the building and the community to nonprofit entities that rely primarily on Federal funds. These 8 projects cost the Federal Government $20 million in Low Income Housing Tax Credits, Community Development Block-Grant building, and HOME funding. Only one of these 8 buildings had a sprinkler system. If the building owners had installed sprinklers in all eight buildings using the credit created by this legislation, the Federal Government may have saved $19.6 million, dozens of Vermonters would still be in their homes, more than a dozen businesses would have been sparred, and at least three Vermonters might still be alive today.

According to the National Fire Sprinkler Association, housing units with sprinklers receive 69 percent less property damage during a fire than units without sprinklers, the death rate per fire in a home with a sprinkler is 83 percent less than in a home without a sprinkler, and firefighters are 65 percent less likely to be injured in a fire where a sprinkler is present than in a fire where a sprinkler is not present.

This legislation also incentivizes the installation of elevators because too often upper story office, retail, and housing space in historic downtown buildings goes unused due to accessibility requirements.

Financial cost-benefit modeling and existing federal incentives for rehabbing an historic building with sprinklers or an elevator fail to adequately incentivize building owners to install these assets. For instance, the Qualified Rehabilitation Tax Credit requires significant rehabilitation to a building equal to the value of the building before renovation in order to claim the credit. Asset depreciation tax benefits take decades for a building owner to offset the cost of a sprinkler or elevator system, and building owners who make no profit or minimal profit have no use for existing tax credits.

The new refundable tax credit I am introducing today—modeled after the State of Vermont's highly successful

downtown historic tax credit—would allow private entities with little tax liability and nonprofits alike to install these important property- and life-saving devices in historic buildings.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1421

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 ''Historic Downtown Preservation and Access Act''.

SEC. 2. CREDIT FOR INSTALLATION OF SPRINKLERS AND ELEVATORS IN HISTORIC BUILDINGS.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 36B the following new section:

''SEC. 36C. HISTORIC BUILDING EXPENSES.

''(a) IN GENERAL.—There shall be allowed a credit against the tax imposed by this subtitle for the taxable year an amount equal to 50 percent of the qualified historic building expenses paid or incurred by the taxpayer during such taxable year.

''(b) LIMITATION.—The credit allowed under subsection (a) with respect to any taxpayer for any taxable year shall not exceed $50,000.

''(c) QUALIFIED HISTORIC BUILDING EXPENSES.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified historic building expenses' means amounts paid or incurred to install in a certified historic structure an elevator system or a sprinkler system that meets the requirements found in the most recent edition of NFPA 13: Standard for the Installation of Sprinkler Systems.

''(2) NATIONAL HISTORIC LANDMARKS.—In the case of a certified historic structure that is designated as a National Historic Landmark in accordance with section 101(a) of the National Historic Preservation Act (16 U.S.C. 470a(a)) and that is open to the public, the term 'qualified historic building expenses' shall not include an expense described in paragraph (1), unless the installation of property described in such paragraph meets the requirements for a certified rehabilitation under section 47(c)(2)(C).

''(3) CERTIFIED HISTORIC STRUCTURE.—The term 'certified historic structure' has the meaning given such term in section 47(c)(3), except that such term shall not include any structure which is a single-family residence.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1324 of title 31, United States Code, is amended by inserting '', 36C'' after '', 36B''.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 36B the following new item:

''Sec. 36C. Historic building expenses.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after the date of the enactment of this Act.

By Mr. CARDIN (for himself, Mr. CRAPO, Mr. KING, Mr. UDALL of New Mexico, and Mrs. SHAHEEN):

S. 1422. A bill to amend the Congressional Budget Act of 1974 respecting the scoring of preventive health savings; to the Committee on the Budget.

Mr. CARDIN. Mr. President, I rise to introduce legislation to modernize the Congressional budget scoring process with respect to health spending and the effects of preventive health care.

Although the United States spends more than any other Nation in the world on health care, $2.6 trillion in 2010, our citizens' health status lags behind that of most developed countries, and we have the highest rate of preventable deaths among 19 industrialized nations. One reason is that the United States' expenditures for the treatment of disease far exceed our investments in preventive health.

Our neglect of prevention has been costly. Spending on the treatment of chronic diseases is overwhelming our health care budgets, particularly those of the Medicare and Medicaid programs. The following statistics come from the U.S. Centers for Disease Control and Prevention: 7 out of 10 deaths among Americans each year are from chronic diseases. Heart disease, cancer and stroke account for more than 50 percent of all deaths each year.

In 2005, 133 million Americans almost 1 out of every 2 adults had at least one chronic illness.

About ¼ of people with chronic conditions have one or more daily activity limitations.

Arthritis is the most common cause of disability, with nearly 19 million Americans reporting activity limitations.

Diabetes continues to be the leading cause of kidney failure, nontraumatic lower-extremity amputations, and blindness among adults, aged 20–74.

Excessive alcohol consumption is the third leading preventable cause of death in the U.S., behind diet, physical activity, and tobacco.

CDC also tells us that four health risk behaviors—lack of physical activity, poor nutrition, tobacco use, and excessive alcohol consumption—are responsible for much of the illness, suffering, and early death related to chronic diseases.

More than ⅓ of all adults do not meet recommendations for aerobic physical activity based on the 2008 Physical Activity Guidelines for Americans, and 23 percent report no leisure-time physical activity at all in the preceding month.

In 2007, 22 percent of high school students and only 24 percent of adults reported eating 5 or more servings of fruits and vegetables per day.

More than 43 million American adults, approximately 1 in 5, smoke. Lung cancer is the leading cause of cancer death, and cigarette smoking causes almost all cases. Compared to nonsmokers, men who smoke are about 23 times more likely to develop lung cancer and women who smoke are about 13 times more likely. Smoking causes about 90 percent of lung cancer deaths in men and almost 80 percent in women. Smoking also causes cancer of the voicebox, mouth and throat, esophagus, bladder, kidney, pancreas, cervix, and stomach, and causes acute myeloid leukemia.

Excessive alcohol consumption contributes to over 54 different diseases and injuries, including cancer of the mouth, throat, esophagus, liver, colon, and breast, liver diseases, and other cardiovascular, neurological, psychiatric, and gastrointestinal health problems.

Binge drinking, the most dangerous pattern of drinking, defined as consuming more than 4 drinks on an occasion for women or 5 drinks for men, is reported by 17 percent of U.S. adults, averaging 8 drinks per binge.

By addressing just these four behaviors, we can alter the trajectory of chronic disease and the health costs associated with them. That is the power of prevention. As Dr. Albert Reece of the University of Maryland School of Medicine once said, ''Lifestyle is primary care.''

Prevention also means early screening. In addition to increasing survival rates, identifying diseases early reduces health care costs. In the case of colorectal cancer, Medicare will pay under $400 for a colonoscopy, but if the patient is not diagnosed until the disease has metastasized, the costs of care can exceed $58,000 over the patient's lifetime. A screening mammography costs the Medicare program a small fraction of the tens of thousands of dollars that treatment of breast cancer costs, depending on when the cancer is found and the course of treatment used. One drug used to treat late stage breast cancer can cost as much as $40,000 a year.

Research has shown that increasing to 90 percent the number of women aged 40 and older who have been screened for breast cancer in the past two years would save more than 100,000 lives each year in the United States.

One of the most compelling cases for prevention is in the area of oral health. The tragic, preventable death of 12 year-old Marylander Deamonte Driver in 2007 illustrated the consequences of poor access to oral health care. His untreated tooth abscess spread to his brain and after two extensive operations, he died. Although a tooth extraction would have cost about $80, the final total cost of his medical care exceeded $250,000.

The American Academy of Pediatric Dentistry tells us that dental decay is the most common chronic childhood disease among children in the United States. It affects one in five children aged 2 to 4, half of those aged 6 to 8, and nearly ⅗ of 15 year olds. But it is also the most preventable disease if basic oral care is provided starting at an early age.

The good news in that for nearly every category of chronic disease we can reduce its prevalence by making preventive health care a priority. All around us are examples of why prevention is an essential part of health care

and why effective use of preventive measures, such as screening and smoking cessation can save lives and lower health care costs in the long run.

But the current Congressional budget process has hindered our ability to get appropriate credit for the cost savings that prevention can bring. For this reason, investing in initiatives that can move our Nation forward toward optimal health often requires us to cut funding in other important areas because of the budget rules.

Today, budget resolutions, budget reconciliation, and CBO scoring analyses use a ten-year ''scoring'' window. But the research performed at the National Institutes of Health in Bethesda, MD and at research centers across the nation has demonstrated that some expenditures for preventive services result in cost savings when considered in the long term. Unfortunately, Congressional budget scoring rules only permit taking into account the first ten years, a time frame in which savings may not be apparent.

We want to change that. Today, with Senators MIKE CRAPO, ANGUS KING, TOM UDALL, and JEANNE SHAHEEN, I am introducing the Preventive Health Savings Act of 2013. It would allow the Chairman or Ranking Member of the House or Senate Budget Committee, or the health committees—HELP, Finance, Ways and Means, or Energy and Commerce—to request an analysis of preventive measures extending beyond the existing 10-year window to two additional ten-year periods.

Re-evaluating our budget rules is not a new phenomenon. In recent years, Congress has increasingly looked for ways to assess long-term budget consequences. For example, Congress currently requests that CBO report on measures that would cause a large future increase in the deficit—more than $5 billion in the following four decades.

The Preventive Health Savings Act would direct CBO to incorporate credible data on prevention. Because we want to ensure that CBO's projections are tied to scientific data, our bill would define preventive health as ''an action designed to avoid future health care costs that is demonstrated by credible and publicly available epidemiological projection models, incorporating clinical trials or observational studies in humans, longitudinal studies, and meta-analysis.'' This narrow, responsible approach encourages a sensible review of health policy that Congress believes will promote public health, and it will make it easier for us to invest in proven methods of saving lives and money.

CBO would be required to conduct an initial analysis to determine whether the provision would result in substantial savings outside the 10-year scoring window and to include a description of those future-year savings in its budget projections.

The broad coalition of groups supporting this bill includes: the Academy of Nutrition and Dietetics, Aetna, Allscripts, American Association of Diabetes Educators, American College of Occupational Medicine, American College of Preventative Medicine, American Diabetes Association, BlueCross BlueShield Tennessee, Building Healthier America, Care Continuum Alliance, Council for Affordable Health Coverage, Dialysis Patient Citizens, The Endocrine Society, Healthcare Leadership Council, Healthways, IHRSA: International Health Racquet & Sportsclub Association, Johnson & Johnson, Marshfield Clinic, Memorial Care Health System, National Association of Public Hospitals and Health Systems, National Retail Federation, National Kidney Foundation, Novo Nordisk, the Partnership to Fight Chronic Disease, Sanofi, Texas Health Resources, and Weight Watchers.

I also wish to applaud the bipartisan House sponsors of this legislation—two physicians—Representatives MICHAEL BURGESS of Texas and DONNA CHRISTENSEN of the U.S. Virgin Islands, for their vision in introducing the companion bill, HR 2663, which now has 19 cosponsors.

I urge my colleagues to cosponsor this legislation, which will give our budget process the flexibility needed to dramatically bend the health care cost curve.

By Mr. UDALL of Colorado (for himself, Mr. ALEXANDER, Ms. MURKOWSKI, Mr. UDALL of New Mexico, and Mr. HEINRICH):

S. 1423. A bill to amend the Energy Employees Occupational Illness Compensation Program Act of 2000 to strengthen the quality control measures in place for part B lung disease claims and to establish the Advisory Board on Toxic Substances and Worker Health for the contractor employee compensation program under subtitle E of such Act; to the Committee on Health, Education, Labor, and Pensions.

Mr. UDALL of Colorado. Mr. President, I rise to speak about bipartisan legislation I am introducing today with Senator ALEXANDER to provide much needed help to our Cold War patriots.

In 2000, Congress passed the Energy Employees Occupational Illness Compensation Program to help Cold War workers like those from Rocky Flats in my home state of Colorado and other nuclear weapons facilities around the country. This effort was designed to get these patriots the help they need to treat cancer and other illnesses they developed as a result of exposure to radiation. Since then, the program has been plagued by procedural inconsistencies and delays preventing former nuclear workers from accessing the benefits they are owed.

In March 2010, the U.S. Government Accountability Office issued a report on the efficacy of EEOICPA, confirming workers' ongoing frustrations with the program and recommending that Congress consider creating an advisory board. More recently, in March 2013, the Institute of Medicine issued a report recommending that an external advisory panel be created to review the health effects of the Department of Labor's approach to awarding benefits.

Today, Senator ALEXANDER and I are reintroducing our bill requiring the President to establish an independent advisory panel to do just that. This advisory board would add much needed transparency and certainty to decisions made affecting workers' compensation and access to benefits.

Some 600,000 Cold War era workers, including thousands of workers at Rocky Flats, put their health on the line to preserve our national security during one of the most uncertain times in our nation's history. They were exposed to radiation and are sick and dying. Our country made a commitment to these patriots, but so far that promise has not been kept. Coloradans find that unacceptable. We cannot let another family suffer through the uncertainty of delays caused by bureaucratic red tape or see their loved ones denied the benefits they deserve. It is time for us to do right by these workers.

I urge my colleagues to join me and Senator ALEXANDER in this fight by cosponsoring this important legislation.

By Mr. DURBIN (for himself and Mr. BLUMENTHAL):

S. 1425. A bill to improve the safety of dietary supplements by amending the Federal Food, Drug, and Cosmetic Act to require manufacturers of dietary supplements to register dietary supplements with the Food and Drug Administration and to amend labeling requirements with respect to dietary supplements; to the Committee on Health, Education, Labor, and Pensions.

Mr. DURBIN. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1425

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 ''Dietary Supplement Labeling Act of 2013''.

SEC. 2. REGULATION OF DIETARY SUPPLEMENTS.

(a) REGISTRATION REQUIREMENTS.—

(1) IN GENERAL.—Section 415(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 350d(a)) is amended by adding at the end the following:

''(6) REQUIREMENTS WITH RESPECT TO DIETARY SUPPLEMENTS.—

''(A) IN GENERAL.—A facility engaged in manufacturing or processing dietary supplements that is required to register under this section shall comply with the requirements of this paragraph, in addition to the other requirements of this section.

''(B) ADDITIONAL INFORMATION.—

''(i) IN GENERAL.—A facility described in subparagraph (A) shall submit a registration under paragraph (1) that includes, in addition to the information required under paragraph (2)—

''(I) a description of each dietary supplement manufactured or processed by such facility;

''(II) a list of all ingredients in each such dietary supplement; and

''(III) a copy of the label for each such dietary supplement.

''(ii) PUBLIC AVAILABILITY.—The Secretary shall make the information provided under clause (i) publicly available, including by posting such information on the Internet Web site of the Food and Drug Administration.

''(C) REGISTRATION WITH RESPECT TO NEW, REFORMULATED, AND DISCONTINUED DIETARY SUPPLEMENTS.—

''(i) IN GENERAL.—Not later than the date described in clause (ii), if a facility described in subparagraph (A)—

''(I) manufactures or processes a dietary supplement that the facility previously did not manufacture or process and for which the facility did not submit the information required under subclauses (I) through (III) of subparagraph (B)(i);

''(II) reformulates a dietary supplement for which the facility previously submitted the information required under subclauses (I) through (III) of subparagraph (B)(i); or

''(III) no longer manufactures or processes a dietary supplement for which the facility previously submitted the information required under subclauses (I) through (III) of subparagraph (B)(i),

such facility shall submit to the Secretary an updated registration describing the change described in subclause (I), (II), or (III) and, in the case of a facility described in subclause (I) or (II), containing the information required under subclauses (I) through (III) of subparagraph (B)(i).

''(ii) DATE DESCRIBED.—The date described in this clause is—

''(I) in the case of a facility described in subclause (I) of clause (i), 30 days after the date on which such facility first markets the dietary supplement described in such subclause;

''(II) in the case of a facility described in subclause (II) of clause (i), 30 days after the date on which such facility first markets the reformulated dietary supplement described in such subclause; or

''(III) in the case of a facility described in subclause (III) of clause (i), 30 days after the date on which such facility removes the dietary supplement described in such subclause from the market.''.

(2) ENFORCEMENT.—Section 403 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343) is amended by adding at the end the following:

''(z) If it is a dietary supplement for which a facility is required to submit the registration information required under section 415(a)(6) and such facility has not complied with the requirements of such section 415(a)(6) with respect to such dietary supplement.''.

(b) LABELING.—

(1) ESTABLISHMENT OF LABELING REQUIREMENTS.—Chapter IV of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341 et seq.) is amended by inserting after section 411 the following:

''SEC. 411A. DIETARY SUPPLEMENTS.

''(a) DIETARY SUPPLEMENT INGREDIENTS.—Not later than 1 year after the date of enactment of the Dietary Supplement Labeling Act of 2013, the Secretary shall compile a list of dietary supplement ingredients and proprietary blends of ingredients that the Secretary determines could cause potentially serious adverse events, drug interactions, or contraindications, or potential risks to subgroups such as children and pregnant or breastfeeding women.

''(b) IOM STUDY.—The Secretary shall seek to enter into a contract with the Institute of Medicine under which the Institute of Medicine shall evaluate dietary supplement ingredients and proprietary blends of ingredients, including those on the list compiled by the Secretary under subsection (a), and scientific literature on dietary supplement ingredients and, not later than 18 months after the date of enactment of the Dietary Supplement Labeling Act of 2013, submit to the Secretary a report evaluating the safety of dietary supplement ingredients and proprietary blends of ingredients the Institute of Medicine determines could cause potentially serious adverse events, drug interactions, or contraindications, or potential risks to subgroups such as children and pregnant or breastfeeding women.

''(c) ESTABLISHMENT OF REQUIREMENTS.—Not later than 2 years after the date on which the Institute of Medicine issues the report under subsection (b), the Secretary, after providing for public notice and comment and taking into consideration such report, shall—

''(1) establish mandatory warning label requirements for dietary supplement ingredients that the Secretary determines to cause potentially serious adverse events, drug interactions, or contraindications, or potential risks to subgroups; and

''(2) identify proprietary blends of ingredients for which, because of potentially serious adverse events, drug interactions, or contraindications, or potential risks to subgroups such as children and pregnant or breastfeeding women, the weight per serving of the ingredient in the proprietary blend shall be provided on the label.

''(d) UPDATES.—As appropriate, the Secretary, after providing for public notice and comment, shall update—

''(1) the list compiled under subsection (a);

''(2) the mandatory warning label requirements established under paragraph (1) of subsection (c); and

''(3) the requirements under paragraph (2) of subsection (c).''.

(2) ENFORCEMENT.—Section 403 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343) is amended—

(A) in paragraph (q)(5)(F)(ii), by inserting '', and for each proprietary blend identified by the Secretary under section 411A(c)(2), the weight of such proprietary blend,'' after ''ingredients)''; and

(B) in paragraph (s)(2)—

(i) in clause (A)(ii)(II), by inserting '', and for each proprietary blend identified by the Secretary under section 411A(c)(2), the weight of each such proprietary blend per serving'' before the semicolon at the end;

(ii) in clause (D)(iii), by striking ''or'' at the end;

(iii) in clause (E)(ii)(II), by striking the period at the end and inserting a semicolon; and

(iv) by adding at the end the following:

''(F) the label does not include information with respect to potentially serious adverse events, drug interactions, or contraindications, or potential risks to subgroups such as children and pregnant or breastfeeding women, as required under section 411A(c)(1); or

''(G) the label does not include the batch number.''.

(c) STRUCTURE AND FUNCTION CLAIMS.—Section 403(r)(6)(B) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343(r)(6)(B)) is amended by inserting '', and provides such substantiation to the Secretary, as the Secretary may require'' after ''misleading''.

(d) CONVENTIONAL FOODS.—The Secretary of Health and Human Services, not later than 1 year after the date of enactment of this Act and after providing for public notice and comment, shall establish a definition for the term ''conventional food'' for purposes of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.). Such definition shall take into account conventional foods marketed as dietary supplements, including products marketed as dietary supplements that simulate conventional foods.

By Mr. GRASSLEY (for himself and Mr. FRANKEN):

S. 1427. A bill to amend title 11 of the United States Code to clarify the rule allowing discharge as a nonpriority claim of governmental claims arising from the disposition of farm assets under chapter 12 bankruptcies; to the Committee on Finance.

Mr. GRASSLEY. Mr. President, I rise today to introduce, along with Senator FRANKEN, the Family Farmer Bankruptcy Clarification Act of 2013. We introduced similar legislation in the 112th Congress, but the Senate never had a chance to consider the bill. The bill addresses the 2012 United States Supreme Court case Hall v. United States. In a 5–4 decision, the Supreme Court ruled that a provision I inserted into the 2005 Bankruptcy Abuse Prevention and Consumer Protection Act did not accomplish what we in Congress intended. The Family Farmer Bankruptcy Clarification Act of 2013 corrects this and clarifies that bankrupt family farmers reorganizing their debts are able to treat capital gains taxes owed to a governmental unit, arising from the sale of farm assets during a bankruptcy, as general unsecured claims. This bill will remove the Internal Revenue Service's veto power over a bankruptcy reorganization plan's confirmation, giving the family farmer a chance to reorganize successfully.

In 1986 Congress enacted Chapter 12 of the Bankruptcy Code to provide a specialized bankruptcy process for family farmers. In 2005 Chapter 12 was made permanent. Between 1986 and 2005 we learned what aspects worked and did not work for family farmers reorganizing in bankruptcy. One problematic area was where a family farmer needed to sell assets in order to generate cash for the reorganization. Specifically, a family farmer would have to sell portions of the farm to generate cash to fund a reorganization plan so that the creditors could receive payment. Unfortunately, in situations like this, the family farmer is selling land that has been owned for a very long time, with a very low cost basis. Thus, when the land is sold, the family farmer is hit with a substantial capital gains tax, which is owed to the Internal Revenue Service.

Under the Bankruptcy Code, taxes owed to the Internal Revenue Service receive priority treatment. Holders of priority claims must receive payment in full, unless the claim holder agrees to be treated differently. This creates problems for the family farmer who needs the cash to pay creditors to reorganize. However, since the Internal Revenue Service has the ability to require full payment, they hold veto

power over a plan's confirmation, which means in many instances the plan will not be confirmed. This does not make sense if the goal is to give the family farmer a fresh start. Thus, in 2005 Congress said that in these limited situations, the taxes owed to the Internal Revenue Service would be stripped of their priority and treated as general, unsecured debt. This removed the government's veto power over plan confirmation and paved the way for family farmers to reorganize.

Unfortunately, in Hall v. United States, the Supreme Court ruled that despite Congress's express goal of helping family farmers, the language inserted into the Bankruptcy Code in 2005 conflicted with the Tax Code. The Hall case was one of statutory interpretation. There is no question what Congress was trying to do; rather, did Congress use the correct language? My goal, along with others at the time, was to relieve family farmers from having their reorganization plans fail because of huge tax liabilities to the federal government. Justice Breyer noted this in the dissent: ''Congress was concerned about the effect on the farmer of collecting capital gains tax debts that arose during, and were connected with, the Chapter 12 proceedings themselves. . . . The majority does not deny the importance of Congress' objective. Rather, it feels compelled to hold that Congress put the Amendment in the wrong place.'' Hall v. United States, 132 S.Ct. 1882, 1897 (2012) (Breyer, J., dissenting) (internal citations and quotations omitted).

As a result of the Hall case, family farmers facing bankruptcy now find themselves caught in a tough spot. The rules have now changed and must be corrected in order to provide certainty and clarity in the law. The Family Farmer Bankruptcy Clarification Act of 2013 will provide the clarity needed to help family farmers.

This bill, which has been worked on over the past year to make sure the problem is addressed correctly, adds a new section 1232 to title 11 of the United States Code. This new section, along with other conforming changes to the Bankruptcy Code, will provide clarity to practitioners and courts as to how these claims are to be treated during bankruptcy. I am pleased that what we are introducing today, building from the bill we introduced last Congress, is an improved product that can help family farmers who are facing hard times. The Family Farmer Bankruptcy Clarification Act of 2013 will ensure that what Congress sought to do in 2005 actually occurs. In the wake of the Hall decision, clarification is needed to help family farmers reorganize successfully.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1427

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 ''Family Farmer Bankruptcy Clarification Act of 2013''.

SEC. 2. CLARIFICATION OF RULE ALLOWING DISCHARGE TO GOVERNMENTAL CLAIMS ARISING FROM THE DISPOSITION OF FARM ASSETS UNDER CHAPTER 12 BANKRUPTCIES.

(a) IN GENERAL.—Subchapter II of chapter 12 of title 11, United States Code, is amended by adding at the end the following:

''§ 1232. Claim by a governmental unit based on the disposition of property used in a farming operation

''(a) Any unsecured claim of a governmental unit against the debtor or the estate that arises before the filing of the petition, or that arises after the filing of the petition and before the debtor's discharge under section 1228, as a result of the sale, transfer, exchange, or other disposition of any property used in the debtor's farming operation—

''(1) shall be treated as an unsecured claim arising before the date on which the petition is filed;

''(2) shall not be entitled to priority under section 507;

''(3) shall be provided for under a plan; and

''(4) shall be discharged in accordance with section 1228.

''(b) For purposes of applying sections 1225(a)(4), 1228(b)(2), and 1229(b)(1) to a claim described in subsection (a) of this section, the amount that would be paid on such claim if the estate of the debtor were liquidated in a case under chapter 7 of this title shall be the amount that would be paid by the estate in a chapter 7 case if the claim were an unsecured claim arising before the date on which the petition was filed and were not entitled to priority under section 507.

''(c) For purposes of applying sections 523(a), 1228(a)(2), and 1228(c)(2) to a claim described in subsection (a) of this section, the claim shall not be treated as a claim of a kind specified in section 523(a)(1).

''(d)(1) A governmental unit may file a proof of claim for a claim described in subsection (a) that arises after the date on which the petition is filed.

''(2) If a debtor files a tax return after the filing of the petition for a period in which a claim described in subsection (a) arises, and the claim relates to the tax return, the debtor shall serve notice of the claim on the governmental unit charged with the responsibility for the collection of the tax at the address and in the manner designated in section 505(b)(1). Notice under this paragraph shall state that the debtor has filed a petition under this chapter, state the name and location of the court in which the case under this chapter is pending, state the amount of the claim, and include a copy of the filed tax return and documentation supporting the calculation of the claim.

''(3) If notice of a claim has been served on the governmental unit in accordance with paragraph (2), the governmental unit may file a proof of claim not later than 180 days after the date on which such notice was served. If the governmental unit has not filed a timely proof of the claim, the debtor or trustee may file proof of the claim that is consistent with the notice served under paragraph (2). If a proof of claim is filed by the debtor or trustee under this paragraph, the governmental unit may not amend the proof of claim.

''(4) A claim filed under this subsection shall be determined and shall be allowed under subsection (a), (b), or (c) of section 502, or disallowed under subsection (d) or (e) of section 502, in the same manner as if the claim had arisen immediately before the date of the filing of the petition.''.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) IN GENERAL.—Subchapter II of chapter 12 of title 11, United States Code, is amended—

(A) in section 1222(a)—

(i) in paragraph (2), by striking ''unless—'' and all that follows through ''the holder'' and inserting ''unless the holder'';

(ii) in paragraph (3), by striking ''and'' at the end;

(iii) in paragraph (4), by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(5) subject to section 1232, provide for the treatment of any claim by a governmental unit of a kind described in section 1232(a).'';

(B) in section 1228—

(i) in subsection (a)—

(I) in the matter preceding paragraph (1)—

(aa) by inserting a comma after ''all debts provided for by the plan''; and

(bb) by inserting a comma after ''allowed under section 503 of this title''; and

(II) in paragraph (2), by striking ''the kind'' and all that follows and inserting ''a kind specified in section 523(a) of this title, except as provided in section 1232(c).''; and

(ii) in subsection (c)(2), by inserting '', except as provided in section 1232(c)'' before the period at the end; and

(C) in section 1229(a)—

(i) in paragraph (2), by striking ''or'' at the end;

(ii) in paragraph (3), by striking the period at the end and inserting ''; or''; and

(iii) by adding at the end the following:

''(4) provide for the payment of a claim described in section 1232(a) that arose after the date on which the petition was filed.''.

(2) TABLE OF SECTIONS.—The table of sections for subchapter II of chapter 12 of title 11, United States Code, is amended by adding at the end the following:

''1232. Claim by a governmental unit based on the disposition of property used in a farming operation.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any bankruptcy case that—

(1) is pending on the date of enactment of this Act and relating to which an order of discharge under section 1228 of title 11, United States Code, has not been entered; or

(2) commences on or after the date of enactment of this Act.

By Mr. RISCH (for himself and Mr. CRAPO):

S. 1430. A bill to authorize the continued use of certain water diversions located on National Forest System land in the Frank Church-River of No Return Wilderness and the Selway-Bitterroot Wilderness in the State of Idaho, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. RISCH. Mr. President, I rise today to introduce a bill called the Idaho Wilderness Water Facilities Act. This bill is identical to the House version, H.R. 876, which was introduced and carried through the House by my colleague from Idaho, Representative MIKE SIMPSON, who did yeoman's work on pursuing this and putting it together and shepherding it through. It passed unanimously in the House. I thank him on behalf of all Idahoans for his work on this issue.

The need for this legislation is simple. The Frank Church River of No Return Wilderness, which was designated by Congress in 1980, abuts the Selway-Bitterroot Wilderness area, which was designated by Congress in 1964. These areas contain some of the largest and most rugged remote tracts of land in the lower 48 States. It is magnificent in its beauty—substantially better, in my opinion, than the Alps.

There are a number of water diversions within the Idaho wilderness areas that have existed since the time of this legislation—since the time these wilderness areas were established. Although the diversions continue to exist, the owners currently lack authority to maintain and repair the facilities.

Predating the existence of these two wilderness areas, private landowners had received permits to maintain and repair water diversions that existed on National Forest System lands. The water is used for a combination of many things, including, but not limited to, drinking water for private cabins and ranches and also for generating electricity in some places on a very small scale. Many of the permits have since expired, leaving those who own the water diversions without any options for mechanically maintaining their water systems. In some cases, this lack of management threatens the environment and the watersheds in which they exist.

The Idaho Wilderness Water Facilities Act will give the Secretary of Agriculture the authority to reissue and issue special use authorizations to the owners of these diversion facilities within the Frank Church and the Selway Wilderness areas for the continued maintenance of their water facilities. The permits would only be issued if the owner could prove the facility existed prior to those lands being designated as wilderness, the facility has been used to deliver water to the owner's land since the designation, and the owner had a valid water right and it would not be practical to move the facility outside of the wilderness area. Undoubtedly, in exercising the discretion, the Secretary would ensure that in no way would it denigrate these wilderness areas. There are several different individuals or businesses that have water diversions in these wilderness areas that meet the description I have given.

Earlier this week the Senate Committee on Energy and Natural Resources held a hearing on H.R. 876. The U.S. Forest Service appeared at that hearing and testified in support of this bill. I look forward to working with Chairman WYDEN and Ranking Member MURKOWSKI to pass this bill quickly so as to allow for the maintenance of this water infrastructure.

By Ms. HIRONO:

S. 1432. A bill to direct the Secretary of the Interior to study the suitability and feasibility of designating portions of the Ka'u Coast in the State of Hawaii as a unit of the National Park System; to the Committee on Energy and Natural Resources.

Ms. HIRONO. Mr. President, I rise today to introduce the Ka'u Coast Preservation Act of 2013, a bill directing the National Park Service to assess the feasibility of designating certain coastal lands on the Ka'u Coast of the island of Hawaii as units of the National Park System.

The National Park Service conducted a reconnaissance survey in 2006 that made a preliminary assessment of whether the Ka'u Coast would meet the National Park Service's demanding criteria as a resource of national significance. The reconnaissance survey concluded that ''based upon the significance of the resources in the study area and the current integrity and intact condition of these resources, a preliminary finding of national significance and suitability can be concluded.'' The report goes on to recommend that Congress proceed with a full resource study of the area.

Since the time of the initial reconnaissance report and my introduction of this Act in previous Congresses, two additional properties in the Ka'u that deserve evaluation have come to my attention: the Kahuku Coastal Property, also known as Sands of South Kona and Road to the Sea, and the Nani Kahuku 'Aina property adjacent to Pohue Bay. I have added these areas to the study area for the full resource study.

The coastline of Ka'u is still largely unspoiled. The study area contains significant natural, geological, and archeological features. The northern part of the study area is adjacent to Hawaii Volcanoes National Park and contains a number of noteworthy geological features, including an ancient lava tube known as the Great Crack, which the National Park Service has expressed interest in acquiring in the past.

The study area includes both black and green sand beaches as well as a significant number of endangered and threatened species, most notably the endangered hawksbill turtle, at least half of the Hawaiian population of this rare sea turtle nests within the study area, the threatened green sea turtle, the highly endangered Hawaiian monk seal, the endangered Hawaiian hawk, the endangered Hawaiian bat, native bees, the endangered and very rare Hawaiian orange-black damselfy, the largest population in the State, and a number of native birds. Humpback whales and spinner dolphins also frequent the area. The Ka'u Coast also boasts some of the best remaining examples of native coastal vegetation in Hawaii.

The archeological resources related to ancient Hawaiian settlements within the study area are also very impressive. These include dwelling complexes, heiau, religious shrines, walls, fishing and canoe houses or sheds, burial sites, petroglyphs, water and salt collection sites, caves, and trails. The Ala Kahakai National Historic Trail runs through the study area.

The Ka'u Coast is a truly remarkable area: its combination of natural, archeological, cultural, and recreational resources, as well as its spectacular viewscapes, are an important part of Hawaii's and our nation's natural and cultural heritage.

As this process evolves, the successful preservation of this pristine land will depend on the federal government working closely with local stakeholders, seeking their input, and collaborating with them to address concerns as they arise. I encourage the National Park Service to continue working with all involved to ensure this coastline is preserved for decades to come.

I believe a full feasibility study, which was recommended in the reconnaissance survey, will confirm that the area meets the National Park Service's high standards as an area of national significance.

I urge my colleagues to join me in supporting this bill.

By Mr. WYDEN (for himself and Mr. MERKLEY):

S. 1437. A bill to provide for the release of the reversionary interest held by the United States in certain land conveyed in 1954 by the United States, acting through the Director of the Bureau of Land Management, to the State of Oregon for the establishment of the Hermiston Agricultural Research and Extension Center of Oregon State University in Hermiston, Oregon; to the Committee on Energy and Natural Resources.

Mr. WYDEN. Mr. President, today I rise to introduce a bill that will give Oregon State University the flexibility to continue its important agricultural work in Hermiston, Oregon. I am pleased to be joined on this bill with my colleague from Oregon, Senator MERKELY. I look forward to working with Senator MERKLEY, other colleagues, and supporters of the bill to update the federal interests in the land to match current needs and conditions.

The Hermiston Agricultural Research & Extension Center, HAREC, provides support to one of the most unique and important agricultural areas in the world: the Columbia Basin region of Oregon and Washington. As one of Oregon State University's, OSU, 12 Agricultural Experiment Stations, HAREC concentrates on the discovery and implementation of agricultural opportunities while also providing solutions to production issues for regional growers and beyond.

Research at HAREC emphasizes identification of new crop opportunities, improved production practices that save money while reducing inputs, plant breeding and varietal evaluation of cereals and potatoes. Through this work it has developed new lines with higher nutritional value, integrated pest management of insects and insect-

transmitted diseases, and provided information related to environmental issues and salmon restoration. In recent years the center provided leadership, research, and new knowledge essential to allow growers to diversify production and convert 30,000 acres of commodity crops to high-value crops. The station has led efforts to cultivate value-added agriculture in Morrow and Umatilla counties, resulting in over $50,000,000 in annual economic return.

The history of HAREC and a Umatilla agricultural research center spans more than a century. The Federal Government paved the way in the development of farming and ranching in the Umatilla Basin. In 1954, the Bureau of Land Management granted land to the State of Oregon on the condition that the land is used for cooperative agricultural experimental work. Over the past nearly 60 years, OSU has developed a center with state-of-the-art laboratories, irrigation technology abilities, greenhouses, screenhouses and research and extension faculty. HAREC now supports nearly 500,000 acres of irrigated agriculture.

Just as agriculture in the Columbia Basin has grown by leaps and bounds since 1954, so has the community of Hermiston. This bill removes the reversionary clause from the original land grant while conditioning that any consideration gained by OSU from the sale, lease, or other use of the land be put back into agricultural experimental and research work. It gives OSU the flexibility to adapt to the population growth and city expansion that will ultimately necessitate the relocation of HAREC from inside the urban growth boundary to a more rural location. Without this bill, moving the station would mean triggering the federal reversionary clause and losing HAREC land and all the buildings and improvements over nearly six decades to the Federal Government. I'm sponsoring this bill to ensure HAREC can continue for another hundred years.

Regional leaders and Oregon State University support removing the barriers to the continued operation of the center. I express my gratitude for their work with me on this legislation. I also look forward to working with Senator Merkley to advance this bill and support the agricultural heart of the regional economy.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1437

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 ''Hermiston Agricultural Research and Extension Center Land Conveyance Act''.

SEC. 2. DEFINITIONS.

In this Act:

(1) RESEARCH CENTER LAND.—The term ''research center land'' means the approximately 290 acres of land in Hermiston, Oregon, identified as the ''Reversionary Interest Area'' on the map entitled ''Hermiston Agricultural Research and Extension Center'' and dated July 23, 2013, including any improvements to, and building on, the land.

(2) PATENT.—The term ''patent'' means the patent granted by the Director of the Bureau of Land Management (acting on behalf of the United States) to the State, numbered 130889, and dated September 17, 1954.

(3) STATE.—The term ''State'' means the State of Oregon (acting through the Oregon State Board of Higher Education on behalf of Oregon State University).

SEC. 3. RELEASE OF REVERSIONARY INTEREST AND RESERVATION OF MINERAL RIGHTS TO BUREAU OF LAND MANAGEMENT LAND CONVEYED TO THE STATE OF OREGON FOR THE ESTABLISHMENT OF HERMISTON AGRICULTURAL RESEARCH AND EXTENSION CENTER.

(a) RELEASE OF REVERSIONARY INTEREST AND RESERVATION OF MINERAL RIGHTS.—Subject to subsection (b), there are released by the United States without consideration—

(1) the reversionary interest retained by the United States to the research center land under the patent; and

(2) the reservation of mineral rights by the United States to the research center land under the patent.

(b) CONDITION.—The release of the reversionary interest under subsection (a)(1) is subject to the condition that the State agrees to use any consideration received by the State from the sale, lease, or other conveyance of the research center land after the date of enactment of this Act for agricultural experimental and research work of Oregon State University.

(c) INSTRUMENT OF RELEASE.—The Secretary of the Interior (acting through the Director of the Bureau of Land Management) shall execute and file in the appropriate office a deed of release, amended deed, or other appropriate instrument reflecting the release under subsection (a).

By Mr. REID (for Ms. LANDRIEU):

S. 1440. A bill to amend the Small Business Act to allow the use of physical damage disaster loans for the construction of safe rooms; to the Committee on Small Business and Entrepreneurship.

Ms. LANDRIEU. Mr. President, I come to the floor today to speak on an issue that is of great importance to my home state of Louisiana: disaster preparedness. As you know, along the Gulf Coast, we keep an eye trained on the Gulf of Mexico during hurricane season. This is following the devastating one-two punch of Hurricanes Katrina and Rita of 2005 as well as Hurricanes Gustav and Ike in 2008. Unfortunately, our region also has had to deal with the economic and environmental damage from the Deepwater Horizon disaster in 2010 and more recently Hurricane Isaac. For this reason, as Chair of the Senate Committee on Small Business and Entrepreneurship, ensuring Federal disaster programs are effective and responsive to disaster victims is one of my top priorities. While the Gulf Coast is prone to hurricanes, other parts of the country are no strangers to disaster. For example, the Midwest and Southeast have tornadoes, California experiences earthquakes and wildfires, and the Northeast sees crippling snowstorms. So no part of our country is spared from disasters—disasters which can and will strike at any moment. This certainly hit home when the northeast was struck by Hurricane Sandy in October of last year and when Moore, Oklahoma was hit by a massive tornado earlier this summer. With this in mind, we must ensure that families have the resources they need to be better prepared the next time disasters strike their communities.

In order to give families in tornado prone areas more resources to protect lives and property, I am proud to file the Tornado Family Safety Act of 2013. Representative TOM COLE from Oklahoma is filing the House companion bill today as well. I want to thank him for being my partner in this effort as his district has seen firsthand how destructive these tornadoes can be to homes and businesses. In particular, our bill would allow U.S. Small Business Administration, SBA, disaster home mitigation loans to go towards the construction of tornado safe rooms. Under current law, SBA can increase the size of a home disaster loan by 20 percent of the total damage to decrease future disaster risk. The Small Business Act lists out examples of mitigation activities such as ''. . . retaining walls, sea walls, grading and contouring land, relocating utilities and modifying structures . . .'' The bill would add safe rooms as an eligible activity so homeowners would have access to these low-interest loans. It does not replace or duplicate other programs, but instead provides a backstop for families in disaster prone areas.

Under guidelines from the Federal Emergency Management Agency, FEMA, and the International Code Council, ICC, a safe room should withstand 250 mph winds and the impact of a 15-pound plank hitting a wall at 100 miles per hour, according to the Insurance Institute for Business and Home Safety, IBHS. Safe rooms designed to the FEMA and ICC standards are recommended for both tornadoes and hurricanes. For individual homes, a safe room could range anywhere from $3,000 to $12,000.

The concept for the bill came about after discussions with the FEMA and the SBA on recent disasters. We learned that safe rooms are not allowable under FEMA preparedness grant programs. Safe rooms would be considered construction and FEMA only allows for limited construction under the preparedness grants for very specific items, such as communications towers, as specified in the appropriations acts. Safe rooms are an eligible activity under the FEMA Hazard Mitigation Grant Program, HMGP. States decide how they use their HMGP, and reimbursing safe room construction for homeowners could be eligible. However, given the larger cost involved in reimbursing individual homeowners, HMGP funded safe rooms are oftentimes community-owned not residential.

As I have indicated, FEMA Individual Assistance does not allow the construction of safe rooms. FEMA does allow HMGP grants for safe rooms and states can decide to reimburse safe room construction for homeowners. However, most are typically community-owned not residential since HMGP funds both single and multi-use facilities—schools, community centers, etc. For example, according to FEMA data, out of 21 states funding safe rooms, only four states, Oklahoma, Alabama, Mississippi, and Arkansas, represent the bulk of residential safe rooms, appproximately 21,600 of the 21,880 funded.

But let me give you an example of how the needs for these types of structures are often outpacing the resources currently available. Following the May 20, 2013 tornado there, Moore, OK, Mayor Glenn Lewis proposed a requirement that all new homes built in the city include a safe room. Oklahoma Governor Fallin also told the Associated Press that only 100 of the 1,752 public schools in Oklahoma have a safe room. In a subsequent June 9, 2013, interview, Albert Ashwood, Director of the Oklahoma Department of Emergency Management, estimated that putting safe rooms in 1,000 Oklahoma schools, via traditional FEMA grant programs, would cost between $500 million to $1 billion alone. So in the near future, there is likely to be less, not more, Federal funding available at the State level for these types of residential safe rooms. Our bill would allow a backstop to homeowners in the event that other Federal/State funds are not available for safe rooms for that particular disaster.

In closing, I believe that this commonsense disaster reform will greatly benefit homeowners impacted by future tornadoes and other disasters.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1440

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 ''Tornado Family Safety Act of 2013''.

SEC. 2. USE OF PHYSICAL DAMAGE DISASTER LOANS.

Section 7(b)(1)(A) of the Small Business Act (15 U.S.C. 636(b)(1)(A)) is amended—

(1) by striking ''the Administration may increase'' and inserting ''the Administration may, subject to section 18(a), increase''; and

(2) by striking ''and modifying structures'' and inserting '', and modifying structures (including construction of a safe room or similar storm shelter designed to protect property and occupants from tornadoes or other natural disasters)''.

By Mr. UDALL of Colorado (for himself and Mr. BENNET):

S. 1443. A bill to facilitate the remediation of abandoned hardrock mines, and for other purposes; to the Committee on Environment and Public Works.

Mr. UDALL of Colorado. Mr. President, today I am reintroducing legislation designed to help promote the cleanup of abandoned and inactive hard rock mines that are a great detriment to the environment and public health throughout the country, but especially to the West. I want to thank my colleague Senator BENNET for joining me in this effort.

For over one hundred years, miners and prospectors have searched for and developed valuable ''hard rock'' minerals—gold, silver, copper, molybdenum, and others. Hard rock mining has played a key role in the history of Colorado and other states, and the resulting mineral wealth has been an important contributor to our economy and the development of essential products.

Too often, however, the miners would abandon their work and move on, seeking riches over the next mountain. The resulting legacy of unsafe open mine shafts and acid mine drainages can be seen throughout the country and especially on public lands in the West where mineral development was encouraged to help settle our region.

Unfortunately, many of our current environmental laws designed to mitigate the impact from operating hard rock mines are of limited effectiveness when applied to abandoned and inactive mines. As a result, many of these old mines continue to pollute streams and rivers and pose a risk to the health of people who live nearby or downstream.

The bill I am reintroducing today will help address this impediment and make it easier for volunteers, who had no role in creating the problem, to help clean up these sites and improve the environment. It does so by providing a new permit program under the Clean Water Act whereby volunteers can, under an approved plan, reduce the water pollution flowing from an abandoned mine. At the same time, volunteers will not be exposed to the full liability and ongoing responsibility provisions of the Clean Water Act.

I would be remiss not to thank the Environmental Protection Agency for its work in addressing this issue. Most recently, EPA issued a memorandum on December 12, 2012, to reduce the Clean Water Act legal vulnerability faced by ''Good Samaritans'' by clarifying that parties who volunteer to clean up these abandoned sites are generally not responsible for obtaining a permit under the Clean Water Act both during and following a successful cleanup. While this was an important step forward, my legislation will provide binding legal protections for Good Samaritans, allowing them to move forward—knowing the long-term certainty of their rights—with the imperative work of mine cleanup.

The new permits proposed in this bill would help address problems that have frustrated federal and state agencies throughout the country. As population growth continues near these old mines, more and more risks to public health and safety are likely to occur. We simply must begin to address this issue—not only to improve the environment, but also to ensure that our water supplies are safe and usable. This bill does not address all the concerns some would-be Good Samaritans may have about initiating cleanup projects and I am committed to continue working to address those additional concerns, through additional legislation and in other ways. However, this bill can make a real difference, and I think it deserves approval without unnecessary delay.

By Mr. WYDEN (for himself and Mr. ISAKSON):

S. 1444. A bill to amend title XVIII of the Social Security Act to provide payment under part A of the Medicare Program on a reasonable cost basis for anesthesia services furnished by an anesthesiologist in certain rural hospitals in the same manner as payments are provided for anesthesia services furnished by anesthesiologist assistants and certified anesthetists in such hospitals; to the Committee on Finance.

Mr. WYDEN. Mr. President. I am honored to join my colleague from Georgia, Senator JOHNNY ISAKSON, in introducing a bill essential to expanding health care options for rural hospitals and beneficiaries living in rural areas, the Medicare Access to Rural Anesthesiology Act.

As it stands today, low Medicare Part B anesthesia payments and low patient volume in rural areas makes it difficult for rural hospitals to attract and retain anesthesiologists. Our legislation would take an important step towards leveling the playing field between urban and rural health care by ensuring that rural Medicare beneficiaries have similar access to anesthesia services.

Generally, Medicare pays for anesthesia services under the Medicare Part B fee schedule, but in order to attract anesthesia providers to rural areas, a statutory exception was created in the 1980s that allows eligible rural hospital to use Part A funds to employ or contract with non-physician anesthesiologist assistants, AA, or certified registered nurse anesthetists, CRNA. This policy however, does not permit eligible hospitals to use pass-through funds to pay anesthesiologists. Leaving anesthesiologists out also prevents AAs from receiving pass through payment because AAs must have an anesthesiologist on premises in order to practice. As a result, many folks in rural areas only have access to one type of anesthesia provider compared to folks in urban areas who can easily visit an anesthesiologist, CRNA, or an AA.

Our legislation would allow eligible rural hospitals to use ''pass-through'' Part A funds to employ CRNAs, AAs, and anesthesiologists. This common

sense change would give eligible rural hospitals the power to choose the anesthesia providers that best suit the medical needs of their patients, and would provide these hospitals with another tool to recruit and retain anesthesiology professionals as well as expand the availability of anesthesiology care in medically underserved areas.

Mr. President, I ask unanimous consent that the text of the bill be printed In the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1444

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 ''Medicare Access to Rural Anesthesiology Act of 2013''.

SEC. 2. MEDICARE PART A PAYMENT FOR ANESTHESIOLOGIST SERVICES IN CERTAIN RURAL HOSPITALS BASED ON CRNA PASS-THROUGH RULES.

(a) IN GENERAL.—Section 1814 of the Social Security Act (42 U.S.C. 1395f) is amended by adding at the end the following new subsection:

''Anesthesiologist Services Provided in Certain Rural Hospitals

''(m)(1) Notwithstanding any other provision of this title, coverage and payment shall be provided under this part for physicians' services that are anesthesia services furnished by a physician who is an anesthesiologist in a rural hospital described in paragraph (3) in the same manner as payment is made under the exception provided in section 9320(k) of the Omnibus Budget Reconciliation Act of 1986, as amended by section 6132 of the Omnibus Budget Reconciliation Act of 1989 (42 U.S.C. 1395k note) (relating to payment on a reasonable cost, pass-through basis), for certified registered nurse anesthetist services furnished by a certified registered nurse anesthetist in a hospital described in such section.

''(2) No payment shall be made under any other provision of this title for physicians' services for which payment is made under this subsection.

''(3) A rural hospital described in this paragraph is a hospital described in section 9320(k) of the Omnibus Budget Reconciliation Act of 1986, as so amended (42 U.S.C. 1395k note), except that—

''(A) any reference in such section to a 'certified registered nurse anesthetist' or 'anesthetist' is deemed a reference to a 'physician who is an anesthesiologist' or 'anesthesiologist', respectively; and

''(B) any reference to 'January 1, 1988' or '1987' is deemed a reference to such date and year as the Secretary shall specify.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services furnished during cost reporting periods beginning on or after the date of the enactment of this Act.

By Mr. ROCKEFELLER:

S. 1449. A bill to amend the Internal Revenue Code of 1986 to provide that income attributable to certain passenger cruise voyages beginning or ending in the United States shall be treated as effectively connected with the conduct of a trade or business within the United States; to the Committee on Finance.

Mr. ROCKEFELLER. Mr. President, today I am introducing comprehensive legislation to repeal corporate tax loopholes that allow the cruise industry to avoid paying its fair share of U.S. corporate income taxes.

These bills change the treatment of the revenue that foreign-based cruise lines earn from ships that embark or disembark nearly 15 million passengers a year in the United States. A string of recent incidents has demonstrated that when cruise ships get into trouble, the companies rely on the resources and assistance of the U.S. Navy and Coast Guard. The industry also uses the services of over 20 other U.S. agencies to the tune of millions of taxpayer dollars every year.

The majority of cruise companies are organized as foreign corporations, even though many of their headquarters and executives are located in the United States. By incorporating in foreign countries, the cruise industry enjoys a special exemption under section 883 of the Internal Revenue Code, which provides that certain foreign corporations are not subject to U.S. taxes on income derived from the international operation of ships, even if the source of the income is in the United States.

Today, I am introducing two bills, S. 1449 and S. 1450. The first would eliminate the section 883 special exemption for cruise industry income derived from passenger cruise voyages that embark or disembark passengers in the United States. This income would be treated as being U.S. sourced and effectively connected with a U.S. trade or business, so it would be subject to U.S. taxes at the same rate as other income.

The second bill would impose a 5 percent excise tax on gross income from cruises where passengers embark or disembark in the United States. Funds generated from the excise tax will help fund a national program to make infrastructure improvements vital to the efficient transportation of goods and services.

For too long, the cruise industry has been able to use taxpayer provided services without actually paying for them. It is time the cruise industry begins to pay for the services it uses.

Mr. President, I ask unanimous consent that the text of the bills be printed in the RECORD.

There being no objection, the text of the bills were ordered to be printed in the RECORD, as follows:

S. 1449

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

SECTION 1. TAXATION OF UNITED STATES CRUISE INDUSTRY INCOME OF NONRESIDENT ALIENS AND FOREIGN CORPORATIONS.

(a) UNITED STATES CRUISE INDUSTRY INCOME TREATED AS EFFECTIVELY CONNECTED TO THE CONDUCT OF A TRADE OR BUSINESS WITHIN THE UNITED STATES.—

(1) INCOME FROM SOURCES WITHOUT THE UNITED STATES.—

(A) IN GENERAL.—Paragraph (4) of section 864(c) of the Internal Revenue Code of 1986 is amended by redesignating subparagraph (D) as subparagraph (C) and by inserting after subparagraph (C) the following new subparagraph:

''(C) UNITED STATES CRUISE INDUSTRY INCOME.—

''(i) IN GENERAL.—United States cruise industry income shall be treated as effectively connected with the conduct of a trade or business within the United States.

''(ii) UNITED STATES CRUISE INDUSTRY INCOME.—For purposes of this subparagraph, the term 'United States cruise industry income' means income attributable to any covered passenger cruise (as defined in paragraph (8)), including income directly or indirectly attributable to the carriage of passengers and any on-board or off-board activities incidental to such covered passenger cruise.''.

(B) COVERED PASSENGER CRUISE.—Subsection (c) of section 864 of such Code is amended by adding at the end the following new paragraph:

''(8) COVERED PASSENGER CRUISE.—For purposes of paragraph (4)(C)—

''(A) DEFINITION.—

''(i) IN GENERAL.—The term 'covered passenger cruise' means a voyage of a commercial passenger cruise vessel—

''(I) that extends over 1 or more nights,

''(II) during which passengers embark or disembark the vessel in the United States.

''(ii) EXCEPTIONS FOR CERTAIN VOYAGES.—Such term shall not include any voyage—

''(I) on any vessel owned or operated by the United States, a State, or any subdivision thereof,

''(II) which occurs exclusively on the inland waterways of the United States, or

''(III) in which a vessel in the usual course of employment proceeds, without an intervening foreign port of call from one port or place in the United States to the same port or place or to another port or place in the United States.

''(B) PASSENGER CRUISE VESSEL.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—The term 'passenger cruise vessel' means any passenger vessel having berth or stateroom accommodations for at least 250 passengers.

''(ii) EXCEPTIONS.—Such term shall not include any ferry, recreational vessel, sailing school vessel, small passenger vessel, offshore supply vessel, or any other vessel determined under regulations by the Secretary to be excluded from the application of this part.

''(iii) DEFINITIONS.—Any term used in this section which used in chapter 21 of title 46, United States Code, shall have the meaning given such term under section 2101 of such title.''.

(C) CONFORMING AMENDMENT.—Subparagraph (A) of section 864(c)(4) of such Code is amended by striking ''subparagraphs (B) and (C)'' and inserting ''subparagraphs (B), (C), and (D)''.

(2) INCOME FROM SOURCES WITHIN THE UNITED STATES.—Paragraph (4) of section 887(b) of such Code is amended by adding at the end the following flush sentence:

''The preceding sentence shall not apply to with respect to any United State source gross transportation income which is United States cruise industry income (as defined in section 864(c)((4)(C)(ii)).''.

(b) REPEAL OF EXEMPTION FROM GROSS INCOME FOR CERTAIN TAXPAYERS.—

(1) NONRESIDENT ALIENS.—Paragraph (1) of section 872(b) of the Internal Revenue Code of 1986 is amended by inserting ''(other than United States cruise industry income (as defined in section 864(c)(4)(C)))'' after ''or ships''.

(2) FOREIGN CORPORATIONS.—Paragraph (1) of section 883(a) of such Code is amended by inserting ''(other than United States cruise industry income (as defined in section 864(c)(4)(C)))'' after ''or ships''.

(c) INCOME TAX TREATIES.—Section 894 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(d) SPECIAL RULE FOR UNITED STATES CRUISE INDUSTRY INCOME.—Notwithstanding subsection (a), no tax exemption or reduced tax rate shall be permitted under any treaty of the United States with respect to United States cruise industry income (as defined in section 864(c)(4)(C)).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to income attributable to voyages made after the date of the enactment of this Act.

S. 1450

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

SECTION 1. EXCISE TAX ON GROSS RECEIPTS DERIVED FROM CRUISES.

(a) IN GENERAL.—Subchapter B of chapter 36 of the Internal Revenue Code of 1986 is amended by inserting after section 4472 the following:

''PART II—AD VALOREM TAX

''Sec. 4476. Imposition of tax.
''Sec. 4477. Definitions.

''SEC. 4476. IMPOSITION OF TAX.

''(a) IN GENERAL.—In addition to any other tax, there is hereby imposed a tax of 5 percent of the allocable amount with respect to any covered passenger cruise.

''(b) BY WHOM PAID.—The tax imposed by this section shall be paid by the person providing the covered passenger cruise.

''SEC. 4477. DEFINITIONS.

''For purposes of this section—

''(1) COVERED PASSENGER CRUISE.—

''(A) IN GENERAL.—The term 'covered passenger cruise' means a voyage of a commercial passenger cruise vessel—

''(i) that extends over 1 or more nights,

''(ii) during which passengers embark or disembark the vessel in the United States.

''(B) EXCEPTIONS FOR CERTAIN VOYAGES.—Such term shall not include any voyage—

''(i) on any vessel owned or operated by the United States, a State, or any subdivision thereof,

''(ii) which occurs exclusively on the inland waterways of the United States, or

''(iii) in which a vessel in the usual course of employment proceeds, without an intervening foreign port of call from one port or place in the United States to the same port or place or to another port or place in the United States.

''(2) PASSENGER CRUISE VESSEL.—

''(A) IN GENERAL.—The term 'passenger cruise vessel' means any passenger vessel—

''(i) having berth or stateroom accommodations for at least 250 passengers, and

''(ii) that is used in the business of carrying passengers for hire.

''(B) EXCEPTIONS.—Such term shall not include any ferry, recreational vessel, sailing school vessel, small passenger vessel, offshore supply vessel, or any other vessel determined under regulations by the Secretary to be excluded from the application of this part.

''(C) DEFINITIONS.—Any term used in this section which is used in chapter 21 of title 46, United States Code, shall have the meaning given such term under section 2101 of such title.

''(3) ALLOCABLE AMOUNT.—The term 'allocable amount' means—

''(A) in the case in which a majority of the passengers on any covered passenger cruise embark or disembark in the United States, 100 percent of the gross receipts attributable to such covered passenger cruise, and

''(B) in any other case, 50 percent of the gross receipts attributable to such covered passenger cruise.

''(4) UNITED STATES.—The term 'United States' includes any possession of the United States.''.

(b) CONFORMING AMENDMENT.—Subchapter B of chapter 36 of the Internal Revenue Code of 1986 is amended by striking all preceding section 4471 and inserting the following:

''Subchapter B—Transportation by Water

''PART I—PER PASSENGER TAX

''PART II—AD VALOREM TAX

''PART I—PER PASSENGER TAX

''Sec. 4471. Imposition of tax.
''Sec. 4472. Definitions.''.

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

SEC. 2. INTERMODAL INFRASTRUCTURE TRUST FUND.

(a) IN GENERAL.—Subchapter A of Chapter 98 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

''SEC. 9512. INTERMODAL INFRASTRUCTURE TRUST FUND.

''(a) CREATION OF TRUST FUND.—There is hereby established in the Treasury of the United States a trust fund to be known as the 'Intermodal Infrastructure Trust Fund', consisting of such amounts as may be appropriated or credited to the Intermodal Infrastructure Trust Fund in this section or section 9602(b).

''(b) TRANSFERS TO INTERMODAL INFRASTRUCTURE TRUST FUND.—There are hereby appropriated to the Intermodal Infrastructure Trust Fund amounts equivalent to the taxes received in the Treasury under section 4471.

''(c) EXPENDITURES FROM INTERMODAL INFRASTRUCTURE TRUST FUND.—Amounts in the Intermodal Infrastructure Trust Fund shall be available, as provided in appropriations Acts, for transportation improvement, including—

''(1) the construction or improvement of—

''(A) passenger or freight rail lines,

''(B) highways,

''(C) bridges,

''(D) airports,

''(E) air traffic control systems,

''(F) port or marine facilities,

''(G) inland waterways,

''(H) transmission or distribution pipelines,

''(I) public transportation facilities or systems

''(J) intercity passenger bus or passenger rail facilities or equipment, and

''(K) freight rail facilities or equipment, and

''(2) planning, preparation, or design of any project described in paragraph (1).''.

(b) CLERICAL AMENDMENT.—The table of sections for subchapter A of Chapter 98 of such Code is amended by adding at the end the following new item:

''Sec. 9512. Intermodal Infrastructure Trust Fund.''.

By Mrs. FEINSTEIN (for herself, Mr. REID, Mr. HELLER, and Mrs. BOXER):

S. 1451. A bill to provide for environmental restoration activities and forest management activities in the Lake Tahoe Basin, to amend title 18, United States Code, to prohibit the importation or shipment of quagga mussels, and for other purposes; to the Committee on Environment and Public Works.

Mrs. FEINSTEIN. Mr. President, I rise today to again discuss the need to restore and protect Lake Tahoe. Lake Tahoe is a national treasure. Her alpine beauty has drawn and inspired people for centuries: artists and poets, John Muir and Mark Twain, and countless millions the world over.

As a girl, I went to Lake Tahoe to ride horses through the woods, to swim in the clear blue waters and to bike around the magnificent Basin.

For over 16 years, representatives from different ends of the political spectrum have come together to Keep Tahoe Blue.

The challenges are great. Climate change and drought have created a persistent threat from catastrophic wildfire. Sedimentation and pollution threaten water quality and the lake's treasured clarity. And invasive species threaten the economy of the region.

The time to act is now, and the federal government must take a leading role—78 percent of the land surrounding Lake Tahoe is public land, primarily the Eldorado, Toiyabe and Tahoe National Forests.

That is why today I am reintroducing the Lake Tahoe Restoration Act of 2013, which is co-sponsored by Senators HARRY REID, DEAN HELLER and BARBARA BOXER.

The bill would continue the Federal commitment at Lake Tahoe by authorizing $415 million over ten years to improve water clarity, reduce the threat of catastrophic fire, combat invasive species, and restore and protect the environment in the Lake Tahoe Basin.

Specifically, it would do the following:

Provide $243 million over 10 years for the highest priority restoration projects, according to scientific data. The legislation authorizes at least $138 million for stormwater management and watershed restoration projects scientifically determined to be the most effective ways to improve water clarity.

This bill also requires prioritized ranking of environmental restoration projects and authorizes $80 million for State and local agencies to implement these projects with costs being split evenly between the Federal agencies and non-federal partners.

Eligible projects must demonstrate their cost effectiveness, stakeholder support, ability to leverage non-federal contributions and meet environmental improvement goals.

Implementation of priority projects will improve water quality, forest health, air quality and fish and wildlife habitat around Lake Tahoe.

Authorizes $135 million over ten years to reduce the threat of wildfire in Lake Tahoe. These funds will finance hazardous fuels reduction projects including grants to local fire agencies, who must contribute at least 25 percent of project costs.

The bill also authorizes important restoration work related to the devastating 2007 Angora fire, which destroyed 242 residences and 67 commercial structures. Fuels treatment on Washoe Tribal lands, wildfire prevention planning, and improvements to

local water district infrastructure to fight wildfires that reach urban areas are eligible for grant funding.

The bill also creates incentives for local communities to have dedicated funding for defensible space inspections and enforcement.

Protecting Lake Tahoe from the threat of quagga mussels and other invasive aquatic species. Protecting Lake Tahoe from the threat of quagga mussels and other invasive aquatic species is a major priority because of the serious threats posed to Lake Tahoe.

University of California, Davis and University of Nevada, Reno scientists report that they have found up to 3,000 Asian clams per square meter at spots between Zephyr Point and Elk Point in Lake Tahoe. The spreading Asian clam population could put sharp shells and rotting algae on the Lake's beaches and help spread other invasive species such as quagga mussels.

The bill would authorize $30 million for watercraft inspections and removal of existing invasive species. It would require all watercraft to be inspected and decontaminated if they are determined to be a risk to the lake.

These invasive species threats are serious. For example, one quagga or zebra mussel can lay 1 million eggs in a year. This means that a single boat carrying quagga could devastate the lake's biology, local infrastructure, and the local economy.

The threat to Lake Tahoe cannot be overstated. In 2007 quagga mussels were discovered in Lake Mead. In the 6 years since, there population has swelled exponentially. Today there are more than 3 trillion. The infestation is probably irreversible.

There is good news. There is promising news on this front. Scientists have begun testing a new strategy by placing long rubber mats across the bottom of Lake Tahoe to cut off the oxygen to the Asian clams. Early research suggests that these mats were very effective at killing the clams. We continue to learn from this important research about how best to manage invasive species.

We can fight off these invaders. But it will require drive and imagination and the help authorized within this bill.

Supports reintroduction of the Lahontan Cutthroat Trout. The legislation authorizes $20 million over 10 years for the Lahontan Cutthroat Trout Recovery Plan. The Lahontan Cutthroat Trout is an iconic species that has an important historic legacy in Lake Tahoe.

When John C. Fremont first explored the Truckee River in January of 1844, he called it the Salmon Trout River because he found the Pyramid Lake Lahontan Cutthroat Trout. The trout relied on the Truckee River and its tributaries for their spawning runs in spring, traveling up the entire river's length as far as Lake Tahoe and Donner Lake, where they used the cool, pristine waters and clean gravel beds to lay their eggs. But dams, pollution and overfishing caused the demise of the Lahontan Cutthroat Trout.

Lake Tahoe is one of the historic 11 lakes where Lahontan Cutthroat Trout flourished in the past, and it's a critical part of the strategy to recover the species.

Funds scientific research. The legislation authorizes $30 million over ten years for scientific programs and research which will produce information on long-term trends in the Basin and inform the most cost-effective projects.

Prohibiting mining operations in the Tahoe Basin. This legislation would prohibit new mining operations in the Basin, ensuring that the fragile watershed and Lake Tahoe's water clarity are not threatened by pollution from mining operations.

Increases accountability and oversight. Every project funded by this legislation will have monitoring and assessment to determine the most cost-effective projects and best management practices for future projects.

The legislation also requires the Chair of the Federal Partnership to work with the Forest Service, Environmental Protection Agency, Fish and Wildlife Service and regional and state agencies, to prepare an annual report to Congress detailing the status of all projects undertaken, including project scope, budget and justification and overall expenditures and accomplishments.

This will ensure that Congress can have oversight on the progress of environmental restoration in Lake Tahoe.

Provides for public outreach and education. The Forest Service, Environmental Protection Agency, Fish and Wildlife Service and Tahoe Regional Planning Agency will implement new public outreach and education programs including encouraging Basin residents and visitors to implement defensible space, conducting best management practices for water quality and preventing the introduction and proliferation of invasive species. In addition, the legislation requires signage on federally financed projects to improve public awareness of restoration efforts.

Allows for increased efficiency in the management of public land. Under this legislation, the Forest Service would have increased flexibility to exchange land with state agencies which will allow for more cost-efficient management of public land. There is currently a checkerboard pattern of ownership in some areas of the Basin.

Under this new authority, the Forest Service could exchange land with the California Tahoe Conservancy and the California Department of Parks and Recreation of approximately equal value without going through a lengthy process to assess the land.

For example, if there are several plots of Forest Service land that surround or are adjacent to Tahoe Conservancy or California State Parks land, the state could transfer that land to the Forest Service so that it can be managed more efficiently.

This legislation is needed because the ''Jewel of the Sierra'' is in big trouble. If we don't act now, we could lose Lake Tahoe, lose it with stunning speed, to several devastating threats.

Anyone doubting that climate change poses a severe threat to Lake Tahoe should read an alarming recent report by the UC Davis Tahoe Environmental Research Center.

It was written for the U.S. Forest Service by scientists who have devoted their professional careers to studying Lake Tahoe. And it paints a distinctly bleak picture of the future for the ''Jewel of the Sierra.''

Among its findings are the Tahoe Basin's regional snowpack could decline by as much as 60 percent in the next century, with increased floods likely by 2050 and prolonged droughts by 2100.

Even ''under the most optimistic projections,'' average snowpack in the Sierra Nevada around Tahoe will decline by 40 to 60 percent by 2100, according to the report.

This would likely bankrupt Tahoe's ski industry, threaten the water supply of Reno and other communities, and degrade the lake's fabled water clarity. It is devastating.

According to the UC Davis report, an all-out attack on pollution and sedimentation may be the lake's last best hope.

Geoff Schladow, director of the UC Davis Tahoe Environmental Research Center and one of the report's authors, noted the need to restore short-term water quality in Lake Tahoe—while there's still time to do it.

''Reducing the load of external nutrients entering the lake in the coming decades may be the only possible mitigation measure to reduce the impact of climate change on lake clarity . . . ,'' the report said.

Without such an effort, the ''internal loading of nutrients'' could fundamentally change the lake and fuel algal growth, creating a downward spiral in water quality and clarity.

Water clarity is one of the central problems the legislation would address.

Pollution and sedimentation have threatened Lake Tahoe's water clarity for years now. In 1968, the first year UC Davis scientists made measurements using a device called a Secchi disk, clarity was measured at an average depth of 102.4 feet. Clarity declined over the next three decades, hitting a low of 64 feet in 1997.

There has been some improvement in this decade. Last year scientists recorded average clarity at 75.3 feet—the clearest readings in a decade. But it is a fragile gain. Sedimentation and stormwater runoff pose a persistent threat.

Climate change has already made itself apparent at Lake Tahoe. It makes the basin dry and tinder-hot, raising the risks of catastrophic wildfire. Daily air temperatures have increased 4 degrees since 1911. Snow has

declined as a fraction of total precipitation, from an average of 52 percent in 1910 to just 36 percent in recent years.

Climate change has caused Lake Tahoe's surface water temperature to rise over 2 degrees in 44 years. That means the cyclical deep-water mixing of the lake's waters will occur less frequently, and this could significantly disrupt Lake Tahoe's ecosystem.

This legislation is intended to address these problems.

Last year, the Senate Environment and Public Works Committee reported out the bill favorably, but there was not enough time for a floor vote. It is my hope that this legislation can move through committee quickly and be passed later this year.

A lot of good work has been done. But there's a lot more work to do, and time is running out.

Mark Twain called Lake Tahoe ''the fairest picture the whole world affords.'' We must not be the generation who lets this picture fall into ruin. We must rise to the challenge, and do all we can to preserve this ''noble sheet of water.''

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1451

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 ''Lake Tahoe Restoration Act of 2013''.

SEC. 2. FINDINGS AND PURPOSES.

The Lake Tahoe Restoration Act (Public Law 106–506; 114 Stat. 2351) is amended by striking section 2 and inserting the following:

''SEC. 2. FINDINGS AND PURPOSES.

''(a) FINDINGS.—Congress finds that—

''(1) Lake Tahoe—

''(A) is 1 of the largest, deepest, and clearest lakes in the world;

''(B) has a cobalt blue color, a biologically diverse alpine setting, and remarkable water clarity; and

''(C) is recognized nationally and worldwide as a natural resource of special significance;

''(2) in addition to being a scenic and ecological treasure, the Lake Tahoe Basin is 1 of the outstanding recreational resources of the United States, which—

''(A) offers skiing, water sports, biking, camping, and hiking to millions of visitors each year; and

''(B) contributes significantly to the economies of California, Nevada, and the United States;

''(3) the economy in the Lake Tahoe Basin is dependent on the protection and restoration of the natural beauty and recreation opportunities in the area;

''(4) the Lake Tahoe Basin continues to be threatened by the impacts of land use and transportation patterns developed in the last century that damage the fragile watershed of the Basin;

''(5) the water clarity of Lake Tahoe declined from a visibility level of 105 feet in 1967 to only 70 feet in 2008;

''(6) the rate of decline in water clarity of Lake Tahoe has decreased in recent years;

''(7) a stable water clarity level for Lake Tahoe could be achieved through feasible control measures for very fine sediment particles and nutrients;

''(8) fine sediments that cloud Lake Tahoe, and key nutrients such as phosphorus and nitrogen that support the growth of algae and invasive plants, continue to flow into the lake from stormwater runoff from developed areas, roads, turf, other disturbed land, and streams;

''(9) the destruction and alteration of wetland, wet meadows, and stream zone habitat have compromised the natural capacity of the watershed to filter sediment, nutrients, and pollutants before reaching Lake Tahoe;

''(10) approximately 25 percent of the trees in the Lake Tahoe Basin are either dead or dying;

''(11) forests in the Tahoe Basin suffer from over a century of fire suppression and periodic drought, which have resulted in—

''(A) high tree density and mortality;

''(B) the loss of biological diversity; and

''(C) a large quantity of combustible forest fuels, which significantly increases the threat of catastrophic fire and insect infestation;

''(12) the establishment of several aquatic and terrestrial invasive species (including perennial pepperweed, milfoil, and Asian clam) threatens the ecosystem of the Lake Tahoe Basin;

''(13) there is an ongoing threat to the Lake Tahoe Basin of the introduction and establishment of other invasive species (such as yellow starthistle, New Zealand mud snail, and quagga mussel);

''(14) the report prepared by the University of California, Davis, entitled the 'State of the Lake Report', found that conditions in the Lake Tahoe Basin had changed, including—

''(A) the average surface water temperature of Lake Tahoe has risen by more than 1.2 degrees Fahrenheit in the past 43 years;

''(B) since 1910, the percent of precipitation that has fallen as snow in the Lake Tahoe Basin decreased from 51 percent to 35.5 percent; and

''(C) daily air temperatures have increased by more than 4 degrees Fahrenheit and the trend in daily maximum temperature has risen by approximately 2 degrees Fahrenheit;

''(15) 75 percent of the land in the Lake Tahoe Basin is owned by the Federal Government, which makes it a Federal responsibility to restore environmental health to the Basin;

''(16) the Federal Government has a long history of environmental preservation at Lake Tahoe, including—

''(A) congressional consent to the establishment of the Tahoe Regional Planning Agency with—

''(i) the enactment in 1969 of Public Law 91–148 (83 Stat. 360); and

''(ii) the enactment in 1980 of Public Law 96–551 (94 Stat. 3233);

''(B) the establishment of the Lake Tahoe Basin Management Unit in 1973;

''(C) the enactment of Public Law 96–586 (94 Stat. 3381) in 1980 to provide for the acquisition of environmentally sensitive land and erosion control grants in the Lake Tahoe Basin;

''(D) the enactment of sections 341 and 342 of the Department of the Interior and Related Agencies Appropriations Act, 2004 (Public Law 108–108; 117 Stat. 1317), which amended the Southern Nevada Public Land Management Act of 1998 (Public Law 105–263; 112 Stat. 2346) to provide payments for the environmental restoration projects under this Act; and

''(E) the enactment of section 382 of the Tax Relief and Health Care Act of 2006 (Public Law 109–432; 120 Stat. 3045), which amended the Southern Nevada Public Land Management Act of 1998 (Public Law 105–263; 112 Stat. 2346) to authorize development and implementation of a comprehensive 10-year hazardous fuels and fire prevention plan for the Lake Tahoe Basin;

''(17) the Assistant Secretary of the Army for Civil Works was an original signatory in 1997 to the Agreement of Federal Departments on Protection of the Environment and Economic Health of the Lake Tahoe Basin;

''(18) the Chief of Engineers, under direction from the Assistant Secretary of the Army for Civil Works, has continued to be a significant contributor to Lake Tahoe Basin restoration, including—

''(A) stream and wetland restoration;

''(B) urban stormwater conveyance and treatment; and

''(C) programmatic technical assistance;

''(19) at the Lake Tahoe Presidential Forum in 1997, the President renewed the commitment of the Federal Government to Lake Tahoe by—

''(A) committing to increased Federal resources for environmental restoration at Lake Tahoe; and

''(B) establishing the Federal Interagency Partnership and Federal Advisory Committee to consult on natural resources issues concerning the Lake Tahoe Basin;

''(20) at the 2011 and 2012 Lake Tahoe Forums, Senator Reid, Senator Feinstein, Senator Heller, Senator Ensign, Governor Gibbons, Governor Sandoval, and Governor Brown—

''(A) renewed their commitment to Lake Tahoe; and

''(B) expressed their desire to fund the Federal and State shares of the Environmental Improvement Program through 2022;

''(21) since 1997, the Federal Government, the States of California and Nevada, units of local government, and the private sector have contributed more than $1,620,000,000 to the Lake Tahoe Basin, including—

''(A) $521,100,000 from the Federal Government;

''(B) $636,200,000 from the State of California;

''(C) $101,400,000 from the State of Nevada;

''(D) $68,200,000 from units of local government; and

''(E) $299,600,000 from private interests;

''(22) significant additional investment from Federal, State, local, and private sources is necessary—

''(A) to restore and sustain the environmental health of the Lake Tahoe Basin;

''(B) to adapt to the impacts of changing water temperature and precipitation; and

''(C) to protect the Lake Tahoe Basin from the introduction and establishment of invasive species; and

''(23) the Secretary has indicated that the Lake Tahoe Basin Management Unit has the capacity for at least $10,000,000 for the Fire Risk Reduction and Forest Management Program.

''(b) PURPOSES.—The purposes of this Act are—

''(1) to enable the Chief of the Forest Service, the Director of the United States Fish and Wildlife Service, and the Administrator of the Environmental Protection Agency, in cooperation with the Planning Agency and the States of California and Nevada, to fund, plan, and implement significant new environmental restoration activities and forest management activities to address in the Lake Tahoe Basin the issues described in paragraphs (4) through (14) of subsection (a);

''(2) to ensure that Federal, State, local, regional, tribal, and private entities continue to work together to manage land in

the Lake Tahoe Basin and to coordinate on other activities in a manner that supports achievement and maintenance of—

''(A) the environmental threshold carrying capacities for the region; and

''(B) other applicable environmental standards and objectives;

''(3) to support local governments in efforts related to environmental restoration, stormwater pollution control, fire risk reduction, and forest management activities; and

''(4) to ensure that agency and science community representatives in the Lake Tahoe Basin work together—

''(A) to develop and implement a plan for integrated monitoring, assessment, and applied research to evaluate the effectiveness of the Environmental Improvement Program; and

''(B) to provide objective information as a basis for ongoing decisionmaking, with an emphasis on decisionmaking relating to public and private land use and resource management in the Basin.''.

SEC. 3. DEFINITIONS.

The Lake Tahoe Restoration Act (Public Law 106–506; 114 Stat. 2351) is amended by striking section 3 and inserting the following:

''SEC. 3. DEFINITIONS.

''In this Act:

''(1) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Environmental Protection Agency.

''(2) ASSISTANT SECRETARY.—The term 'Assistant Secretary' means the Assistant Secretary of the Army for Civil Works.

''(3) CHAIR.—The term 'Chair' means the Chair of the Federal Partnership.

''(4) COMPACT.—The term 'Compact' means the Tahoe Regional Planning Compact included in the first section of Public Law 96–551 (94 Stat. 3233).

''(5) DIRECTORS.—The term 'Directors' means—

''(A) the Director of the United States Fish and Wildlife Service; and

''(B) the Director of the United States Geological Survey.

''(6) ENVIRONMENTAL IMPROVEMENT PROGRAM.—The term 'Environmental Improvement Program' means—

''(A) the Environmental Improvement Program adopted by the Planning Agency; and

''(B) any amendments to the Program.

''(7) ENVIRONMENTAL THRESHOLD CARRYING CAPACITY.—The term 'environmental threshold carrying capacity' has the meaning given the term in article II of the compact.

''(8) FEDERAL PARTNERSHIP.—The term 'Federal Partnership' means the Lake Tahoe Federal Interagency Partnership established by Executive Order 13957 (62 Fed. Reg. 41249) (or a successor Executive order).

''(9) FOREST MANAGEMENT ACTIVITY.—The term 'forest management activity' includes—

''(A) prescribed burning for ecosystem health and hazardous fuels reduction;

''(B) mechanical and minimum tool treatment;

''(C) road decommissioning or reconstruction;

''(D) stream environment zone restoration and other watershed and wildlife habitat enhancements;

''(E) nonnative invasive species management; and

''(F) other activities consistent with Forest Service practices, as the Secretary determines to be appropriate.

''(10) MAPS.—The term 'Maps' means the maps—

''(A) entitled—

''(i) 'LTRA USFS-CA Land Exchange/North Shore';

''(ii) 'USFS-CA Land Exchange/West Shore'; and

''(iii) 'USFS-CA Land Exchange/South Shore'; and

''(B) dated April 12, 2013, and on file and available for public inspection in the appropriate offices of—

''(i) the Forest Service;

''(ii) the California Tahoe Conservancy; and

''(iii) the California Department of Parks and Recreation.

''(11) NATIONAL WILDLAND FIRE CODE.—The term 'national wildland fire code' means—

''(A) the most recent publication of the National Fire Protection Association codes numbered 1141, 1142, 1143, and 1144;

''(B) the most recent publication of the International Wildland-Urban Interface Code of the International Code Council; or

''(C) any other code that the Secretary determines provides the same, or better, standards for protection against wildland fire as a code described in subparagraph (A) or (B).

''(12) PLANNING AGENCY.—The term 'Planning Agency' means the Tahoe Regional Planning Agency established under Public Law 91–148 (83 Stat. 360) and Public Law 96–551 (94 Stat. 3233).

''(13) PRIORITY LIST.—The term 'Priority List' means the environmental restoration priority list developed under section 8.

''(14) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, acting through the Chief of the Forest Service.

''(15) STREAM ENVIRONMENT ZONE.—The term 'Stream Environment Zone' means an area that generally owes the biological and physical characteristics of the area to the presence of surface water or groundwater.

''(16) TOTAL MAXIMUM DAILY LOAD.—The term 'total maximum daily load' means the total maximum daily load allocations adopted under section 303(d) of the Federal Water Pollution Control Act (33 U.S.C. 1313(d)).

''(17) WATERCRAFT.—The term 'watercraft' means motorized and non-motorized watercraft, including boats, seaplanes, personal watercraft, kayaks, and canoes.''.

SEC. 4. ADMINISTRATION OF THE LAKE TAHOE BASIN MANAGEMENT UNIT.

Section 4 of the Lake Tahoe Restoration Act (Public Law 106–506; 114 Stat. 2353) is amended—

(1) in subsection (b)(3), by striking ''basin'' and inserting ''Basin''; and

(2) by adding at the end the following:

''(c) TRANSIT.—

''(1) IN GENERAL.—The Lake Tahoe Basin Management Unit shall, consistent with the regional transportation plan adopted by the Planning Agency, manage vehicular parking and traffic in the Lake Tahoe Basin Management Unit, with priority given—

''(A) to improving public access to the Lake Tahoe Basin, including the prioritization of alternatives to the private automobile, consistent with the requirements of the Compact;

''(B) to coordinating with the Nevada Department of Transportation, Caltrans, State parks, and other entities along Nevada Highway 28 and California Highway 89; and

''(C) to providing support and assistance to local public transit systems in the management and operations of activities under this subsection.

''(2) NATIONAL FOREST TRANSIT PROGRAM.—Consistent with the support and assistance provided under paragraph (1)(C), the Secretary, in consultation with the Secretary of Transportation, may enter into a contract, cooperative agreement, interagency agreement, or other agreement with the Department of Transportation to secure operating and capital funds from the National Forest Transit Program.

''(d) FOREST MANAGEMENT ACTIVITIES.—

''(1) COORDINATION.—

''(A) IN GENERAL.—In conducting forest management activities in the Lake Tahoe Basin Management Unit, the Secretary shall, as appropriate, coordinate with the Administrator and State and local agencies and organizations, including local fire departments and volunteer groups.

''(B) GOALS.—The coordination of activities under subparagraph (A) should aim to increase efficiencies and maximize the compatibility of management practices across public property boundaries.

''(2) MULTIPLE BENEFITS.—

''(A) IN GENERAL.—In conducting forest management activities in the Lake Tahoe Basin Management Unit, the Secretary shall conduct the activities in a manner that—

''(i) except as provided in subparagraph (B), attains multiple ecosystem benefits, including—

''(I) reducing forest fuels;

''(II) maintaining or restoring biological diversity;

''(III) improving wetland and water quality, including in Stream Environment Zones; and

''(IV) increasing resilience to changing water temperature and precipitation; and

''(ii) helps achieve and maintain the environmental threshold carrying capacities established by the Planning Agency.

''(B) EXCEPTION.—Notwithstanding clause (A)(i), the attainment of multiple ecosystem benefits shall not be required if the Secretary determines that management for multiple ecosystem benefits would excessively increase the cost of a project in relation to the additional ecosystem benefits gained from the management activity.

''(3) GROUND DISTURBANCE.—Consistent with applicable Federal law and Lake Tahoe Basin Management Unit land and resource management plan direction, the Secretary shall—

''(A) establish post-project ground condition criteria for ground disturbance caused by forest management activities; and

''(B) provide for monitoring to ascertain the attainment of the post-project conditions.

''(e) WITHDRAWAL OF FEDERAL LAND.—

''(1) IN GENERAL.—Subject to valid existing rights and paragraph (2), the Federal land located in the Lake Tahoe Basin Management Unit is withdrawn from—

''(A) all forms of entry, appropriation, or disposal under the public land laws;

''(B) location, entry, and patent under the mining laws; and

''(C) disposition under all laws relating to mineral and geothermal leasing.

''(2) EXCEPTIONS.—A conveyance of land shall be exempt from withdrawal under this subsection if carried out under—

''(A) the Lake Tahoe Restoration Act (Public Law 106–506; 114 Stat. 2351); or

''(B) the Santini-Burton Act (Public Law 96–586; 94 Stat. 3381).

''(f) ENVIRONMENTAL THRESHOLD CARRYING CAPACITY.—The Lake Tahoe Basin Management Unit shall support the attainment of the environmental threshold carrying capacities.

''(g) COOPERATIVE AUTHORITIES.—During the 4 fiscal years following the date of enactment of the Lake Tahoe Restoration Act of 2013, the Secretary, in conjunction with land adjustment projects or programs, may enter into contracts and cooperative agreements with States, units of local government, and other public and private entities to provide for fuel reduction, erosion control, reforestation, Stream Environment Zone restoration, and similar management activities on Federal land and non-Federal land within the projects or programs.''.

SEC. 5. CONSULTATION.

The Lake Tahoe Restoration Act (Public Law 106–506; 114 Stat. 2351) is amended by striking section 5 and inserting the following:

"SEC. 5. CONSULTATION.

''In carrying out this Act, the Secretary, the Administrator, and the Directors shall, as appropriate and in a timely manner, consult with the heads of the Washoe Tribe, applicable Federal, State, regional, and local governmental agencies, and the Lake Tahoe Federal Advisory Committee.''.

SEC. 6. AUTHORIZED PROJECTS.

The Lake Tahoe Restoration Act (Public Law 106–506; 114 Stat. 2351) is amended by striking section 6 and inserting the following:

"SEC. 6. AUTHORIZED PROJECTS.

''(a) IN GENERAL.—The Secretary, the Assistant Secretary, the Directors, and the Administrator, in coordination with the Planning Agency and the States of California and Nevada, may carry out or provide financial assistance to any project or program that—

''(1) is described in subsection (d);

''(2) is included in the Priority List under section 8; and

''(3) furthers the purposes of the Environmental Improvement Program if the project has been subject to environmental review and approval, respectively, as required under Federal law, article 7 of the Compact, and State law, as applicable.

''(b) RESTRICTION.—The Administrator shall use not more than 3 percent of the funds provided under subsection (a) for administering the projects or programs described in paragraphs (1) and (2) of subsection (d).

''(c) MONITORING AND ASSESSMENT.—All projects authorized under subsection (d) shall—

''(1) include funds for monitoring and assessment of the results and effectiveness at the project and program level consistent with the program developed under section 11; and

''(2) use the integrated multiagency performance measures established under section 13.

''(d) DESCRIPTION OF ACTIVITIES.—

''(1) STORMWATER MANAGEMENT, EROSION CONTROL, AND TOTAL MAXIMUM DAILY LOAD IMPLEMENTATION.—Of the amounts made available under section 17(a), $75,000,000 shall be made available—

''(A) to the Secretary or the Administrator for the Federal share of stormwater management and related projects and programs consistent with the adopted Total Maximum Daily Load and near-shore water quality goals; and

''(B) for grants by the Secretary and the Administrator to carry out the projects and programs described in subparagraph (A).

''(2) STREAM ENVIRONMENT ZONE AND WATERSHED RESTORATION.—Of the amounts made available under section 17(a), $38,000,000 shall be made available—

''(A) to the Secretary or the Assistant Secretary for the Federal share of the Upper Truckee River restoration projects and other watershed restoration projects identified in the priority list established under section 8; and

''(B) for grants by the Administrator to carry out the projects described in subparagraph (A).

''(3) FIRE RISK REDUCTION AND FOREST MANAGEMENT.—

''(A) IN GENERAL.—Of the amounts made available under section 17(a), $135,000,000 shall be made available to the Secretary to carry out, including by making grants, the following projects:

''(i) Projects identified as part of the Lake Tahoe Basin Multi-Jurisdictional Fuel Reduction and Wildfire Prevention Strategy 10-Year Plan.

''(ii) Competitive grants for fuels work to be awarded by the Secretary to communities that have adopted national wildland fire codes to implement the applicable portion of the 10-year plan described in clause (i).

''(iii) Biomass projects, including feasibility assessments and transportation of materials.

''(iv) Angora Fire Restoration projects under the jurisdiction of the Secretary.

''(v) Washoe Tribe projects on tribal lands within the Lake Tahoe Basin.

''(vi) Development of an updated Lake Tahoe Basin multijurisdictional fuel reduction and wildfire prevention strategy, consistent with section 4(d).

''(vii) Development of updated community wildfire protection plans by local fire districts.

''(viii) Municipal water infrastructure that significantly improves the firefighting capability of local government within the Lake Tahoe Basin.

''(B) MINIMUM ALLOCATION.—Of the amounts made available to the Secretary to carry out subparagraph (A), at least $80,000,000 shall be used by the Secretary for projects under subparagraph (A)(i).

''(C) PRIORITY.—Units of local government that have dedicated funding for inspections and enforcement of defensible space regulations shall be given priority for amounts provided under this paragraph.

''(D) COST-SHARING REQUIREMENTS.—

''(i) IN GENERAL.—As a condition on the receipt of funds, communities or local fire districts that receive funds under this paragraph shall provide a 25 percent match.

''(ii) FORM OF NON-FEDERAL SHARE.—

''(I) IN GENERAL.—The non-Federal share required under clause (i) may be in the form of cash contributions or in-kind contributions, including providing labor, equipment, supplies, space, and other operational needs.

''(II) CREDIT FOR CERTAIN DEDICATED FUNDING.—There shall be credited toward the non-Federal share required under clause (i) any dedicated funding of the communities or local fire districts for a fuels reduction management program, defensible space inspections, or dooryard chipping.

''(III) DOCUMENTATION.—Communities and local fire districts shall—

''(aa) maintain a record of in-kind contributions that describes—

''(AA) the monetary value of the in-kind contributions; and

''(BB) the manner in which the in-kind contributions assist in accomplishing project goals and objectives; and

''(bb) document in all requests for Federal funding, and include in the total project budget, evidence of the commitment to provide the non-Federal share through in-kind contributions.

''(4) INVASIVE SPECIES MANAGEMENT.—Of the amounts to be made available under section 17(a), $30,000,000 shall be made available to the Director of the United States Fish and Wildlife Service for the Aquatic Invasive Species Program and the watercraft inspections described in section 9.

''(5) SPECIAL STATUS SPECIES MANAGEMENT.—Of the amounts to be made available under section 17(a), $20,000,000 shall be made available to the Director of the United States Fish and Wildlife Service for the Lahontan Cutthroat Trout Recovery Program.

''(6) LAKE TAHOE BASIN SCIENCE PROGRAM.—Of the amounts to be made available under section 17(a), $30,000,000 shall be made available to the Chief of the Forest Service to develop and implement, in coordination with the Tahoe Science Consortium, the Lake Tahoe Basin Science Program established under section 11.

''(7) PROGRAM PERFORMANCE AND ACCOUNTABILITY.—

''(A) IN GENERAL.—Of the amounts to be made available under section 17(a), $5,000,000 shall be made available to the Secretary to carry out sections 12, 13, and 14.

''(B) PLANNING AGENCY.—Of the amounts described in subparagraph (A), not less than 50 percent shall be made available to the Planning Agency to carry out the program oversight, coordination, and outreach activities established under sections 12, 13, and 14.

''(8) LAND CONVEYANCE.—

''(A) IN GENERAL.—Of the amount made available under section 17(a), $2,000,000 shall be made available to the Secretary to carry out the activities under section 3(b)(2) of Public Law 96–586 (94 Stat. 3384) (commonly known as the 'Santini-Burton Act').

''(B) OTHER FUNDS.—Of the amounts available to the Secretary under subparagraph (A), not less than 50 percent shall be provided to the California Tahoe Conservancy to facilitate the conveyance of land described in section 3(b)(2) of Public Law 96–586 (94 Stat. 3384) (commonly known as the 'Santini-Burton Act').''.

SEC. 7. ENVIRONMENTAL RESTORATION PRIORITY LIST.

The Lake Tahoe Restoration Act (Public Law 106–506; 114 Stat. 2351) is amended—

(1) by striking sections 8 and 9;

(2) by redesignating sections 10, 11, and 12 as sections 15, 16, and 17, respectively; and

(3) by inserting after section 7 the following:

"SEC. 8. ENVIRONMENTAL RESTORATION PRIORITY LIST.

''(a) DEADLINE.—Not later than February 15 of the year after the date of enactment of the Lake Tahoe Restoration Act of 2013, the Chair, in consultation with the Secretary, the Administrator, the Directors, the Planning Agency, the States of California and Nevada, the Federal Partnership, the Washoe Tribe, the Lake Tahoe Federal Advisory Committee, and the Tahoe Science Consortium shall submit to Congress a prioritized list of all Environmental Improvement Program projects for the Lake Tahoe Basin for each program category described in section 6(d).

''(b) CRITERIA.—

''(1) IN GENERAL.—The priority of projects included in the Priority List shall be based on the best available science and the following criteria:

''(A) The 5-year threshold carrying capacity evaluation.

''(B) The ability to measure progress or success of the project.

''(C) The potential to significantly contribute to the achievement and maintenance of the environmental threshold carrying capacities identified in the Compact for—

''(i) air quality;

''(ii) fisheries;

''(iii) noise;

''(iv) recreation;

''(v) scenic resources;

''(vi) soil conservation;

''(vii) forest health;

''(viii) water quality; and

''(ix) wildlife.

''(D) The ability of a project to provide multiple benefits.

''(E) The ability of a project to leverage non-Federal contributions.

''(F) Stakeholder support for the project.

''(G) The justification of Federal interest.

''(H) Agency priority.

''(I) Agency capacity.

''(J) Cost-effectiveness.

''(K) Federal funding history.

''(2) SECONDARY FACTORS.—In addition to the criteria under paragraph (1), the Chair

shall, as the Chair determines to be appropriate, give preference to projects in the Priority List that benefit existing neighborhoods in the Basin that are at or below regional median income levels, based on the most recent census data available.

''(c) REVISIONS.—

''(1) IN GENERAL.—The Priority List submitted under subsection (b) shall be revised—

''(A) every 2 years; or

''(B) on a finding of compelling need under paragraph (2).

''(2) FINDING OF COMPELLING NEED.—

''(A) IN GENERAL.—If the Secretary, the Administrator, or the Director of the United States Fish and Wildlife Service makes a finding of compelling need justifying a priority shift and the finding is approved by the Secretary, the Executive Director of the Planning Agency, the California Natural Resources Secretary, and the Director of the Nevada Department of Conservation, the Priority List shall be revised in accordance with this subsection.

''(B) INCLUSIONS.—A finding of compelling need includes—

''(i) major scientific findings;

''(ii) results from the threshold evaluation of the Planning Agency;

''(iii) emerging environmental threats; and

''(iv) rare opportunities for land acquisition.

''(d) FUNDING.—Of the amount made available under section 17(a), $80,000,000 shall be made available to the Secretary to carry out this section.

''SEC. 9. AQUATIC INVASIVE SPECIES PREVENTION.

''(a) IN GENERAL.—The Director of the United States Fish and Wildlife Service, in coordination with the Planning Agency, the California Department of Fish and Game, and the Nevada Department of Wildlife, shall deploy strategies consistent with the Lake Tahoe Aquatic Invasive Species Management Plan to prevent the introduction of aquatic invasive species into the Lake Tahoe Basin.

''(b) CRITERIA.—The strategies referred to in subsection (a) shall provide that—

''(1) combined inspection and decontamination stations be established and operated at not less than 2 locations in the Lake Tahoe Basin; and

''(2) watercraft not be allowed to launch in waters of the Lake Tahoe Basin if the watercraft has not been inspected in accordance with the Lake Tahoe Aquatic Invasive Species Management Plan.

''(c) CERTIFICATION.—The Planning Agency may certify State and local agencies to perform the decontamination activities described in subsection (b)(3) at locations outside the Lake Tahoe Basin if standards at the sites meet or exceed standards for similar sites in the Lake Tahoe Basin established under this section.

''(d) APPLICABILITY.—The strategies and criteria developed under this section shall apply to all watercraft to be launched on water within the Lake Tahoe Basin.

''(e) FEES.—The Director of the United States Fish and Wildlife Service may collect and spend fees for decontamination only at a level sufficient to cover the costs of operation of inspection and decontamination stations under this section.

''(f) CIVIL PENALTIES.—

''(1) IN GENERAL.—Any person that launches, attempts to launch, or facilitates launching of watercraft not in compliance with strategies deployed under this section shall be liable for a civil penalty in an amount not to exceed $1,000 per violation.

''(2) OTHER AUTHORITIES.—Any penalties assessed under this subsection shall be separate from penalties assessed under any other authority.

''(g) LIMITATION.—The strategies and criteria under subsections (a) and (b), respectively, may be modified if the Secretary of the Interior, in a nondelegable capacity and in consultation with the Planning Agency and State governments, issues a determination that alternative measures will be no less effective at preventing introduction of aquatic invasive species into Lake Tahoe than the strategies and criteria.

''(h) SUPPLEMENTAL AUTHORITY.—The authority under this section is supplemental to all actions taken by non-Federal regulatory authorities.

''(i) SAVINGS CLAUSE.—Nothing in this title shall be construed as restricting, affecting, or amending any other law or the authority of any department, instrumentality, or agency of the United States, or any State or political subdivision thereof, respecting the control of invasive species.

''SEC. 10. CORPS OF ENGINEERS; INTERAGENCY AGREEMENTS.

''(a) IN GENERAL.—The Assistant Secretary may enter into interagency agreements with non-Federal interests in the Lake Tahoe Basin to use Lake Tahoe Partnership-Miscellaneous General Investigations funds to provide programmatic technical assistance for the Environmental Improvement Program.

''(b) LOCAL COOPERATION AGREEMENTS.—

''(1) IN GENERAL.—Before providing technical assistance under this section, the Assistant Secretary shall enter into a local cooperation agreement with a non-Federal interest to provide for the technical assistance.

''(2) COMPONENTS.—The agreement entered into under paragraph (1) shall—

''(A) describe the nature of the technical assistance;

''(B) describe any legal and institutional structures necessary to ensure the effective long-term viability of the end products by the non-Federal interest; and

''(C) include cost-sharing provisions in accordance with paragraph (3).

''(3) FEDERAL SHARE.—

''(A) IN GENERAL.—The Federal share of project costs under each local cooperation agreement under this subsection shall be 65 percent.

''(B) FORM.—The Federal share may be in the form of reimbursements of project costs.

''(C) CREDIT.—The non-Federal interest may receive credit toward the non-Federal share for the reasonable costs of related technical activities completed by the non-Federal interest before entering into a local cooperation agreement with the Assistant Secretary under this subsection.

''SEC. 11. LAKE TAHOE BASIN SCIENCE PROGRAM.

''The Secretary (acting through the Station Director of the Forest Service, Pacific Southwest Research Station), the Administrator, the Planning Agency, the States of California and Nevada, and the Tahoe Science Consortium, shall develop and implement the Lake Tahoe Basin Science Program that—

''(1) develops and regularly updates an integrated multiagency programmatic assessment and monitoring plan—

''(A) to evaluate the effectiveness of the Environmental Improvement Program;

''(B) to evaluate the status and trends of indicators related to environmental threshold carrying capacities; and

''(C) to assess the impacts and risks of changing water temperature, precipitation, and invasive species;

''(2) produces and synthesizes scientific information necessary for—

''(A) the identification and refinement of environmental indicators for the Lake Tahoe Basin; and

''(B) the evaluation of standards and benchmarks;

''(3) conducts applied research, programmatic technical assessments, scientific data management, analysis, and reporting related to key management questions;

''(4) develops new tools and information to support objective assessments of land use and resource conditions;

''(5) provides scientific and technical support to the Federal Government and State and local governments in—

''(A) reducing stormwater runoff, air deposition, and other pollutants that contribute to the loss of lake clarity; and

''(B) the development and implementation of an integrated stormwater monitoring and assessment program;

''(6) establishes and maintains independent peer review processes—

''(A) to evaluate the Environmental Improvement Program; and

''(B) to assess the technical adequacy and scientific consistency of central environmental documents, such as the 5-year threshold review; and

''(7) provides scientific and technical support for the development of appropriate management strategies to accommodate changing water temperature and precipitation in the Lake Tahoe Basin.

''SEC. 12. PUBLIC OUTREACH AND EDUCATION.

''(a) IN GENERAL.—The Secretary, the Administrator, and the Directors will coordinate with the Planning Agency to conduct public education and outreach programs, including encouraging—

''(1) owners of land and residences in the Lake Tahoe Basin—

''(A) to implement defensible space; and

''(B) to conduct best management practices for water quality; and

''(2) owners of land and residences in the Lake Tahoe Basin and visitors to the Lake Tahoe Basin, to help prevent the introduction and proliferation of invasive species as part of the private share investment in the Environmental Improvement Program.

''(b) SCIENTIFIC AND TECHNICAL GUIDANCE.—The Director of the United States Geological Survey shall provide scientific and technical guidance to public outreach and education programs conducted under this section.

''(c) REQUIRED COORDINATION.—Public outreach and education programs for aquatic invasive species under this section shall—

''(1) be coordinated with Lake Tahoe Basin tourism and business organizations; and

''(2) include provisions for the programs to extend outside of the Lake Tahoe Basin.

''SEC. 13. REPORTING REQUIREMENTS.

''Not later than February 15 of each year, the Secretary, in cooperation with the Chair, the Administrator, the Directors, the Planning Agency, and the States of California and Nevada, consistent with section 6(d)(6), shall submit to Congress a report that describes—

''(1) the status of all Federal, State, local, and private projects authorized under this Act, including to the maximum extent practicable, for projects that will receive Federal funds under this Act during the current or subsequent fiscal year—

''(A) the project scope;

''(B) the budget for the project; and

''(C) the justification for the project, consistent with the criteria established in section 8(b)(1);

''(2) Federal, State, local, and private expenditures in the preceding fiscal year to implement the Environmental Improvement Program and projects otherwise authorized under this Act;

''(3) accomplishments in the preceding fiscal year in implementing this Act in accordance with the performance measures and

other monitoring and assessment activities; and

''(4) public education and outreach efforts undertaken to implement programs and projects authorized under this Act.

''SEC. 14. ANNUAL BUDGET PLAN.

''As part of the annual budget of the President, the President shall submit information regarding each Federal agency involved in the Environmental Improvement Program (including the Forest Service, the Environmental Protection Agency, the United States Fish and Wildlife Service), the United States Geological Survey, and the Corps of Engineers), including—

''(1) an interagency crosscut budget that displays the proposed budget for use by each Federal agency in carrying out restoration activities relating to the Environmental Improvement Program for the following fiscal year;

''(2) a detailed accounting of all amounts received and obligated by Federal agencies to achieve the goals of the Environmental Improvement Program during the preceding fiscal year; and

''(3) a description of the Federal role in the Environmental Improvement Program, including the specific role of each agency involved in the restoration of the Lake Tahoe Basin.''.

SEC. 8. RELATIONSHIP TO OTHER LAWS.

Section 16 of The Lake Tahoe Restoration Act (Public Law 106–506; 114 Stat. 2358) (as redesignated by section 7(2)) is amended by inserting '', Director, or Administrator'' after ''Secretary''.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

The Lake Tahoe Restoration Act (Public Law 106–506; 114 Stat. 2351) is amended by striking section 17 (as redesignated by section 7(2)) and inserting the following:

''SEC. 17. AUTHORIZATION OF APPROPRIATIONS.

''(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this Act $415,000,000 for a period of 10 fiscal years beginning the first fiscal year after the date of enactment of the Lake Tahoe Restoration Act of 2013.

''(b) EFFECT ON OTHER FUNDS.—Amounts authorized under this section and any amendments made by this Act—

''(1) shall be in addition to any other amounts made available to the Secretary, the Administrator, or the Directors for expenditure in the Lake Tahoe Basin; and

''(2) shall not reduce allocations for other Regions of the Forest Service, Environmental Protection Agency, or the United States Fish and Wildlife Service.

''(c) COST-SHARING REQUIREMENT.—Except as provided in subsection (d) and section 6(d)(3)(D), the States of California and Nevada shall pay 50 percent of the aggregate costs of restoration activities in the Lake Tahoe Basin funded under section 6.

''(d) RELOCATION COSTS.—Notwithstanding subsection (c), the Secretary shall provide to local utility districts two-thirds of the costs of relocating facilities in connection with—

''(1) environmental restoration projects under sections 6 and 8; and

''(2) erosion control projects under section 2 of Public Law 96–586 (94 Stat. 3381).

''(e) SIGNAGE.—To the maximum extent practicable, a project provided assistance under this Act shall include appropriate signage at the project site that—

''(1) provides information to the public on—

''(A) the amount of Federal funds being provided to the project; and

''(B) this Act; and

''(2) displays the visual identity mark of the Environmental Improvement Program.''.

SEC. 10. ADMINISTRATION OF ACQUIRED LAND.

(a) IN GENERAL.—Section 3(b) of Public Law 96–586 (94 Stat. 3384) (commonly known as the ''Santini-Burton Act'') is amended—

(1) by striking ''(b) Lands'' and inserting the following:

''(b) ADMINISTRATION OF ACQUIRED LAND.—

''(1) IN GENERAL.—Land''; and

(2) by adding at the end the following:

''(2) CONVEYANCE.—

''(A) IN GENERAL.—If the State of California (acting through the California Tahoe Conservancy and the California Department of Parks and Recreation) offers to donate to the United States acceptable title to the non-Federal land described in subparagraph (B)(i), the Secretary—

''(i) may accept the offer; and

''(ii) not later than 180 days after the date on which the Secretary receives acceptable title to the non-Federal land described in subparagraph (B)(i), convey to the State of California, subject to valid existing rights and for no consideration, all right, title, and interest of the United States in and to the Federal land that is acceptable to the State of California.

''(B) DESCRIPTION OF LAND.—

''(i) NON-FEDERAL LAND.—The non-Federal land referred to in subparagraph (A) includes—

''(I) the approximately 1,981 acres of land administered by the Conservancy and identified on the Maps as 'Conservancy to the United States Forest Service'; and

''(II) the approximately 187 acres of land administered by California State Parks and identified on the Maps as 'State Parks to the U.S. Forest Service'.

''(ii) FEDERAL LAND.—The Federal land referred to in subparagraph (A) includes the approximately 1,995 acres of Forest Service land identified on the Maps as 'U.S. Forest Service to Conservancy and State Parks'.

''(C) CONDITIONS.—Any land conveyed under this paragraph shall—

''(i) be for the purpose of consolidating Federal and State ownerships and improving management efficiencies;

''(ii) not result in any significant changes in the uses of the land; and

''(iii) be subject to the condition that the applicable deed include such terms , restrictions, covenants, conditions, and reservations as the Secretary determines necessary to—

''(I) ensure compliance with this Act; and

''(II) ensure that the development rights associated with the conveyed parcels shall not be recognized or available for transfer under section 90.2 of the Code of Ordinances for the Tahoe Regional Planning Agency.''.

By Mr. MCCONNELL (for himself and Mr. PAUL):

S. 1457. A bill to exempt the aging process of distilled spirits from the production period for purposes of capitalization of interest costs; to the Committee on Finance.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1457

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 ''Aged Distilled Spirits Competitiveness Act''.

SEC. 2. PRODUCTION PERIOD OF DISTILLED SPIRITS.

(a) IN GENERAL.—Section 263A(f) of the Internal Revenue Code of 1986 is amended—

(1) by redesignating paragraph (4) as paragraph (5), and

(2) by inserting after paragraph (3) the following new paragraph:

''(4) EXEMPTION FOR AGING PROCESS OF DISTILLED SPIRITS.—For purposes of this subsection, the production period shall not include the aging period for distilled spirits (as described in section 5002(a)(8)).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to the production of distilled spirits that begins on or after the date of the enactment of this Act.

By Mr. LEVIN (for himself, Mr. GRASSLEY, Mrs. FEINSTEIN, and Mr. HARKIN):

S. 1465. A bill to ensure that persons who form corporations in the United States disclose the beneficial owners of those corporations, in order to prevent the formation of corporations with hidden owners, stop the misuse of United States corporations by wrongdoers, and assist law enforcement in detecting, preventing, and punishing terrorism, money laundering, tax evasion, and other criminal and civil misconduct involving United States corporations, and for other purposes; to the Committee on the Judiciary.

Mr. LEVIN. Mr. President, today, along with my colleagues, Senator GRASSLEY, Senator FEINSTEIN, and Senator HARKIN, I am reintroducing the Incorporation Transparency and Law Enforcement Assistance Act, a bill designed to combat terrorism, money laundering, tax evasion, and other wrongdoing facilitated by U.S. corporations with hidden owners. This commonsense bill would end the practice of our States forming about 2 million new corporations each year for unidentified persons, and instead require a list of the real owners to be submitted so that, if misconduct later occurred, law enforcement could access the owners list and have a trail to chase, instead of confronting what has all too often been a dead end.

Our bill is supported by key law enforcement organizations, including the Federal Law Enforcement Officers Association, the Fraternal Order of Police, the National Association of Assistant United States Attorneys, and the Society of Former Special Agents of the Federal Bureau of Investigation, as well as by Manhattan District Attorney Cyrus Vance. It is also endorsed by a number of small business, public interest, and good government groups, including the Main Street Alliance, American Sustainable Business Council, National Money Transmitters Association, AFL–CIO, SEIU, Global Financial Integrity, Global Witness, U.S. Public Interest Research Group, Transparency International, Public Citizen, Project on Government Oversight, Jubilee USA Network, Tax Justice Network USA, Human Rights Watch, Friends of the Earth, Open Society Policy Center, Revenue Watch Institute, the FACT Coalition, and more. .

This is the fourth Congress in which this bill has been introduced to provide a solution to a problem that has gained only more urgency with time. In 2008,

when the bill was first introduced, President Obama was a member of the U.S. Senate and an original cosponsor. In 2013, President Obama stood with other international leaders at a G8 summit in June to condemn corporations with hidden owners who commit crimes, tax evasion, and other wrongdoing. The G8 leaders made a joint commitment to combat that problem. President Obama immediately responded with a U.S. action plan that, among other measures, calls for enacting legislation to end the shameful practice in this country of forming U.S. corporations with unnamed owners and unleashing them on, not only our own communities, but the international community as well.

A World Bank study found that the United States forms more corporations per year than all the rest of the countries in the world put together. Under current law, those U.S. corporations can be established anonymously, by hidden owners who don't reveal their identity. According to another recent study by Griffith University examining multiple jurisdictions, it is easier to obtain an anonymous shell company in the United States than almost anywhere else in the world. That study also found that ''only a tiny portion of U.S. providers of any kind met the international standard of requiring notarized identity documents.''

Right now, in the United States, it takes more information to get a driver's license or to open a U.S. bank account than to form a U.S. corporation. Our bill would change that by requiring any State that accepts crime-fighting grants from the Department of Justice to add one new question to their existing incorporation forms asking applicants to identify the company's true owners.

That is it. One new question on an existing form. It is not a complicated question, yet the answer could play a key role in helping law enforcement do their jobs. Our bill would not require States to verify the information, but penalties would apply to persons who submit false information. States, or licensed formation agents if a State has delegated the task to them, would supply the ownership information to law enforcement upon receipt of a subpoena or summons.

The Problem. We have all seen the news reports about U.S. corporations involved in wrongdoing—from facilitating terrorism to money laundering, financial fraud, tax evasion, corruption, and more. Let me give you a few examples that indicate the scope of the problem.

We now know that some terrorists use U.S. corporations to carry out their activities. Viktor Bout, an arms dealer who was found guilty in November 2011 of conspiring to kill U.S. nationals and selling weapons to a terrorist organization, used corporations around the world in his work, including a dozen formed in Texas, Delaware, and Florida. At the time of Mr. Bout's extradition to face justice here in America, Attorney General Eric Holder stated: ''Long considered one of the world's most prolific arms traffickers, Mr. Bout will now appear in federal court in Manhattan to answer to charges of conspiring to sell millions of dollars worth of weapons to a terrorist organization for use in trying to kill Americans.'' It is unacceptable that Mr. Bout was able to set up corporations in three of our States and use them in illicit activities without ever being asked for the names of the corporate owners.

In another case, a New York company called the Assa Corporation owned a Manhattan skyscraper and, in 2007, wire transferred about $4.5 million in rental payments to a bank in Iran. U.S. law enforcement tracking the funds had no idea who was behind that corporation, until another government disclosed that it was owned by the Alavi Foundation which had known ties to the Iranian military. In other words, a New York corporation was being used to ship millions of U.S. dollars to Iran, a notorious supporter of terrorism.

U.S. corporations with hidden owners have also been involved in financial crimes. In 2011, a former Russian military officer, Victor Kaganov, pled guilty to operating an illegal money transmitter business from his home in Oregon, and using Oregon shell corporations to wire more than $150 million around the world on behalf of Russian clients. U.S. Attorney Dwight Holton of the District of Oregon used stark language when describing the case: ''When shell corporations are illegally manipulated in the shadows to hide the flow of tens of millions of dollars overseas, it threatens the integrity of our financial system.''

Another financial fraud case involves Florida attorney Scott Rothstein who, in 2010, pled guilty to fraud and money laundering in connection with a $1.2 billion Ponzi investment scheme, in which he used 85 U.S. limited liability companies to conceal his participation and ownership stake in various business ventures. In still another case earlier this year, the Securities and Exchange Commission suspended trading in 61 shell corporations suspected of being misused to defraud investors.

Shell corporations are also notorious for their role in health care fraud. One example involves an individual named Michel Huarte who formed 29 shell companies in several states including Florida, Louisiana, and North Carolina, used them to make fraudulent health care claims, and bilked Medicare out of more than $50 million. In 2010, he was sentenced to 22 years in prison. He is one in a long line of fraudsters who have hidden behind U.S. corporations to defraud Medicare and Medicaid.

Tax evasion is another type of misconduct which all too often involves the use of U.S. corporations with hidden owners. One Subcommittee investigation showed, for example, how Kurt Greaves, a Michigan businessman, worked with Terry Neal, an offshore promoter, to form shell corporations in Nevada, Canada, and offshore secrecy jurisdictions, to hide more than $400,000 in untaxed business income. Both Mr. Greaves and Mr. Neal later pled guilty to federal tax evasion. The Subcommittee also showed how two brothers from Texas, Sam and Charles Wyly, created a network of 58 trusts and shell corporations to dodge the payment of U.S. taxes, including using a set of Nevada corporations to move offshore over $190 million in stock options without paying taxes on that compensation.

Still another area of abuse involves corrupt foreign officials using U.S. corporations to hide and spend their illicit funds. One example involves Teodoro Obiang, who is the son of the President of Equatorial Guinea, holds office in that country, and has purchased luxury homes, cars, and even a personal jet here in the United States. A Subcommittee investigation disclosed that, as part of his actions, Mr. Obiang used U.S. lawyers to form several California shell corporations with names like Beautiful Vision, Unlimited Horizon, and Sweet Pink to open bank accounts in the names of those corporations, move millions of dollars in suspect funds into the United States, and use those funds to support an affluent lifestyle. The Department of Justice has since filed suit to seize his U.S. property, alleging that Mr. Obiang acquired it through corruption and money laundering.

One last example involves 800 U.S. corporations whose hidden owners have stumped U.S. law enforcement trying to investigate their suspect conduct. In October 2004, the Homeland Security Department's division of Immigration and Customs Enforcement or ICE identified a single Utah corporation that had engaged in $150 million in suspicious transactions. ICE found that the corporation had been formed in Utah and was owned by two Panamanian entities which, in turn, were owned by a group of Panamanian holding corporations, all located at the same Panama City office. By 2005, ICE had located 800 U.S. corporations in nearly all 50 states associated with the same shadowy group in Panama, but was unable to obtain the name of a single natural person who owned any one of the corporations. ICE had learned that the 800 corporations were associated with multiple U.S. investigations into tax fraud and other wrongdoing, but no one had been able to find the corporate owners. The trail went cold, and ICE closed the case. Yet it may be that many of those U.S. corporations are still enaged in wrongdoing.

These examples of U.S. corporations with hidden owners facilitating terrorism, financial crime, health care fraud, tax evasion, corruption, and other misconduct provide ample evidence of the need for legislation to find out who is behind the mayhem. That's

why law enforcement officials are among the bill's strongest supporters.

The Federal Law Enforcement Officers Association or FLEOA, which represents more than 26,000 Federal law enforcement officers, has explained its strong support for the bill as follows:

> Suspected terrorists, drug trafficking organizations and other criminal enterprises continue to exploit the anonymity afforded to them through the current corporate filing process in a few states. Hiding behind a registered agent, these criminals are able to incorporate without disclosing who the beneficial owners are for their company(s). This enables them to establish corporate flow-through entities, otherwise known as shell companies,' to facilitate money laundering and narcoterrorist financing.
>
> Even through the due process of proper service of a court order, law enforcement officers are unable to determine who the beneficial owners are of these entities. This has to stop. While we fully recognize and respect the privacy concerns of law abiding citizens, we need to install a baseline of checks and balances to deter the criminal exploitation of our corporate filing process.

The Fraternal Order of Police, which has 330,000 members across the country, offers a similar explanation for its support of the bill:

> For years corporations have been used as front organizations by criminals conducting illegal activity such as money laundering, fraud, and tax evasion. . . . This bill is critical to our work because, all too often, investigations are stymied when we encounter a company with hidden ownership. . . . [T]he sharing of beneficial ownership information with law enforcement will greatly assist our investigations. When we are able to expose the link between shell companies and drug trafficking, corruption, organized crime and terrorist finance, the law enforcement community is better able to keep America safe from these illegal activities and keep the proceeds of these crimes out of the U.S. financial system.

The National Association of Assistant United States Attorneys, which represents more than 1,500 federal prosecutors, has urged Congress to take legislative action to strengthen inadequate state incorporation practices: ''[M]indful of the ease with which criminals establish 'front organizations' to assist in money laundering, terrorist financing, tax evasion and other misconduct, it is shocking and unacceptable that many State laws permit the creation of corporations without asking for the identity of the corporation's beneficial owners. The legislation will guard against that and no longer permit criminals to exploit the lack of transparency in the registration of corporations.''

Manhattan District Attorney Cyrus Vance Jr. has publicly urged Congress to enact this bill. He wrote: ''I have spoken with many colleagues in the law enforcement community, and every one of us supports the bill as a simple and common sense movement to help prevent white collar crime. . . . Because there is no national standard requiring disclosure of beneficial ownership, criminals can set up U.S. corporations anonymously and use them as fronts for all kinds of illicit activity without having to identify who actually controls and profits from the activity. In a simple stroke, the proposed bill would eliminate this needless barrier to the detection and prosecution of financial crimes.''

Some members of the U.S. financial industry with obligations under U.S. anti-money laundering laws to know their customers, including when doing business with a shell corporation, support the legislation because it will help them know who is behind U.S. corporations seeking to open accounts with them. The National Money Transmitters Association, NMTA, for example, which represents state-licensed money transmitters, has written in support of the bill, explaining: ''The NMTA urges you to give us the KYC, know-your-customer, tools we need to do our job efficiently and make sure that our nation's standards are brought up to a level equal to that of other advanced countries.''

We need legislation not only to stop the abuses being committed by U.S. corporations with hidden owners, but also to meet our international commitments. In 2006, the leading international anti-money laundering body in the world, the Financial Action Task Force on Money Laundering—known as FATF—issued a report criticizing the United States for its failure to comply with a FATF standard requiring countries to obtain beneficial ownership information for the corporations formed under their laws. This standard is one of 40 FATF standards that this country has publicly committed itself to implementing as part of its efforts to promote strong anti-money laundering laws around the world.

FATF gave the United States two years, until 2008, to make progress toward complying with the FATF standard on beneficial ownership information. But that deadline passed five years ago, with no real progress. Enacting the bill we are introducing today would help bring the United States into compliance with the FATF standard by requiring the States to obtain beneficial ownership information for the corporations formed under their laws. It would help ensure that the United States meets its international anti-money laundering commitments.

Combating the misuse of corporations with hidden owners has increasingly become a global priority. In a letter to President Obama earlier this year, prominent prosecutors and corruption hunters from across the globe urged the United States to collect company beneficial ownership information to fight wrongdoing. According to the letter: ''Grand corruption would not be possible without the help of the global financing system—in particular, banks that accept corrupt assets and secrecy rules that allow money launderers to disguise their activity. . . . We believe that part of the solution is for governments to require existing company registers to collect information on the ultimate owners of companies.''

As I mentioned earlier, countries around the world have begun to take action to tackle the problem. Just last month, during the G8 summit in Northern Ireland, leaders announced their commitment to ending the practice of establishing anonymous shell companies and declared: ''Companies should know who really owns them and tax collectors and law enforcers should be able to obtain this information easily.'' To implement that principle, the G8 leaders pledged to publish national Action Plans outlining the concrete steps each country will take to ensure that law enforcement and tax authorities have ready access to information on who owns and controls the companies formed under their laws.

In announcing the U.S. Action Plan, the White House expressed its commitment to ensuring that law enforcement and tax authorities have access to ownership information for companies formed within U.S. borders. The Plan explicitly calls for enactment of legislation that meets certain principles, all of which are met by the bill introduced today. Those principles are the following:

''Requirements for covered legal entities to disclose beneficial ownership to states or regulated corporate formation agents at the time of company formation.

''Requirements for verification of the identity of the beneficial owner.

''Options for covering legal entities depending on whether the applicant forms the legal entity directly or uses a regulated company formation agent.

''Requirements for law enforcement authorities, including tax authorities, to be able to access beneficial ownership information upon appropriate request through a central registry at the state level.

''An extension of anti-money laundering obligations to company formation agents, including an obligation to identify and verify beneficial ownership information.

''A mandate that entities provide updated information when changes of beneficial ownership occur within 60 days; and

''The imposition of civil and criminal penalties for knowingly providing false information.''

The White House and the international community have made the collection of beneficial ownership information for corporations a global priority this year. It is time for Congress to step up to the plate and take the necessary action.

The bill introduced today is the product of years of work by the Senate Permanent Subcommittee on Investigations, which I chair. Over twelve years ago, in 2000, the Government Accountability Office, at my request, conducted an investigation and released a report entitled, ''Suspicious Banking

Activities: Possible Money Laundering by U.S. Corporations Formed for Russian Entities.'' That report revealed that one person was able to set up more than 2,000 Delaware shell corporations and, without disclosing the identity of any of the beneficial owners, open U.S. bank accounts for those corporations, which then collectively moved about $1.4 billion through the accounts. It is one of the earliest government reports to give some sense of the law enforcement problems caused by U.S. corporations with hidden owners. The alarm it sounded years ago is still ringing.

In April 2006, in response to a second Subcommittee request, GAO released a report entitled, ''Corporation Formations: Minimal Ownership Information Is Collected and Available,'' which reviewed the corporate formation laws in all 50 States. GAO disclosed that the vast majority of the States do not collect any information at all on the beneficial owners of the corporations and limited liability companies, or LLCs, formed under their laws. The report also found that several States had established automated procedures that allow a person to form a new corporation or LLC in the State within 24 hours of filing an online application without any prior review of that application by State personnel. In exchange for a substantial fee, at least two States will form a corporation or LLC within one hour of a request. After examining these State incorporation practices, the GAO report described the problems that the lack of beneficial ownership information caused for a range of law enforcement investigations.

In November 2006, our Subcommittee held a hearing on the problem. At that hearing, representatives of the U.S. Department of Justice, the Internal Revenue Service, and the Department of Treasury's Financial Crimes Enforcement Network or FinCEN testified that the failure of States to collect adequate information on the beneficial owners of the legal entities they form had impeded federal efforts to investigate and prosecute criminal acts such as terrorism, money laundering, securities fraud, and tax evasion. At the hearing, the Justice Department testified: ''We had allegations of corrupt foreign officials using these [U.S.] shell accounts to launder money, but were unable—due to lack of identifying information in the corporate records—to fully investigate this area.'' The IRS testified: ''Within our own borders, the laws of some states regarding the formation of legal entities have significant transparency gaps which may even rival the secrecy afforded in the most attractive tax havens.'' As part of its testimony, FinCEN described identifying 768 incidents of suspicious international wire transfer activity involving U.S. shell corporations.

The next year, in 2007, in a ''Dirty Dozen'' list of tax scams active that year, the IRS highlighted shell corporations with hidden owners as number four on the list. It wrote:

> 4. Disguised Corporate Ownership: Domestic shell corporations and other entities are being formed and operated in certain states for the purpose of disguising the ownership of the business or financial activity. Once formed, these anonymous entities can be, and are being, used to facilitate underreporting of income, non-filing of tax returns, listed transactions, money laundering, financial crimes and possibly terrorist financing. The IRS is working with state authorities to identify these entities and to bring their owners into compliance.

In 2008, we first introduced our bipartisan legislation to stop the formation of U.S. corporations with hidden owners. It was a Levin-Coleman-Obama bill, S. 2956, back then. When asked about the bill in 2008, then DHS Secretary Michael Chertoff wrote: ''In countless investigations, where the criminal targets utilize shell corporations, the lack of law enforcement's ability to gain access to true beneficial ownership information slows, confuses or impedes the efforts by investigators to follow criminal proceeds.''

In 2009, the Senate Homeland Security and Governmental Affairs Committee held two hearings which examined not only the problem, but also possible solutions, including our revised bill, S. 569. At the first hearing entitled, ''Examining State Business Incorporation Practices: A Discussion of the Incorporation Transparency and Law Enforcement Assistance Act,'' held in June 2009, DHS testified that ''shell corporations established in the United States have been utilized to commit crimes against individuals around the world.'' The Manhattan District Attorney's office testified: ''For those of us in law enforcement, these issues with shell corporations are not some abstract idea. This is what we do and deal with every day. We see these shell corporations being used by criminal organizations, and the record is replete with examples of their use for money laundering, for their use in tax evasion, and for their use in securities fraud.''

At the second hearing, ''Business Formation and Financial Crime: Finding a Legislative Solution,'' held in November 2009, the Justice Department again testified about criminals using U.S. shell corporations. It noted that ''each of these examples involves the relatively rare instance in which law enforcement was able to identify the perpetrator misusing U.S. shell corporations. Far too often, we are unable to do so.'' The Treasury Department testified that ''the ability of illicit actors to form corporations in the United States without disclosing their true identity presents a serious vulnerability and there is ample evidence that criminal organizations and others who threaten our national security exploit this vulnerability.''

The 2009 hearings also presented evidence of dozens of Internet websites advertising corporate formation services that highlighted the ability of corporations to be formed in the United States without asking for the identity of the beneficial owners. Those websites explicitly pointed to anonymous ownership as a reason to incorporate within the United States, and often listed certain States alongside notorious offshore jurisdictions as preferred locations in which to form new corporations, essentially providing an open invitation for wrongdoers to form entities within the United States.

One website, for example, set up by an international incorporation firm, advocated setting up corporations in Delaware by saying: ''DELAWARE—An Offshore Tax Haven for Non US Residents.'' It cited as one of Delaware's advantages that: ''Owners' names are not disclosed to the state.'' Another website, from a U.K. firm called ''formacorporation-offshore.com,'' listed the advantages to incorporating in Nevada. Those advantages included: ''Stockholders are not on Public Record allowing complete anonymity.''

During the 2009 hearings, I presented evidence of how one Wyoming outfit was selling so-called shelf corporations—corporations formed and then left ''on the shelf'' for later sale to purchasers who could then pretend the corporations had been in operation for years. A June 2011 Reuters news article wrote a detailed expose of how that same outfit, Wyoming Corporate Services, had formed thousands of U.S. corporations all across the country, all with hidden owners. The article quoted the website as follows: ''A corporation is a legal person created by state statute that can be used as a fall guy, a servant, a good friend or a decoy. A person you control . . . yet cannot be held accountable for its actions. Imagine the possibilities!''

The article described a small house in Cheyenne, Wyoming, which Wyoming Corporate Services used to provide a U.S. address for more than 2,000 corporations that it had helped to form. The article described ''the walls of the main room'' as ''covered floor to ceiling with numbered mailboxes labeled as corporate suites.'' The article reported that among the corporations using the address was a shell corporation controlled by a former Ukranian prime minister who had been convicted of money laundering and extortion; a corporation indicted for helping online-poker operators evade a U.S. ban on Internet gambling; and two corporations barred from U.S. federal contracting for selling counterfeit truck parts to the Pentagon. The article observed that Wyoming Corporate Services continued to sell shelf corporations that existed solely on paper but could show a history of regulatory and tax filings, despite having had no real U.S. operations. That's the type of deceptive conduct going on right now, here in our own backyard, with respect to U.S. corporations with hidden owners.

Despite the evidence of U.S. corporations being misused by organized

crime, terrorists, tax evaders, and other wrongdoers, and despite years of law enforcement complaints, many of our States are reluctant to admit there is a problem in establishing U.S. corporations and LLCs with hidden owners. Too many of our States are eager to explain how quick and easy it is to set up corporations within their borders, without acknowledging that those same quick and easy procedures enable wrongdoers to utilize U.S. corporations in a variety of crimes and tax dodges both here and abroad.

Beginning in 2006, the Subcommittee worked with the States to encourage them to recognize the law enforcement and national security problem they'd created and to come up with their own solution. After the Subcommittee's 2006 hearing on this issue, for example, the National Association of Secretaries of State or NASS convened a 2007 task force to examine state incorporation practices. At the request of NASS and several States, I delayed introducing legislation while they worked on a proposal to require the collection of beneficial ownership information. My Subcommittee staff participated in multiple conferences, telephone calls, and meetings on the issue.

In July 2007, the NASS task force issued a proposal. Rather than cure the problem, however, the proposal had multiple serious deficiencies, leading the Treasury Department to state in a letter that the NASS proposal ''falls short'' and ''does not fully address the problem of legal entities masking the identity of criminals.''

Among other shortcomings, the NASS proposal would not require States to obtain the names of the natural individuals who would be the beneficial owners of a U.S. corporation or LLC. Instead, it would allow States to obtain a list of a corporation's ''owners of record'' who can be, and often are, offshore corporations or trusts with their own hidden owners. The NASS proposal also did not require the States to maintain the beneficial ownership information, or to supply it to law enforcement upon receipt of a subpoena or summons. Instead, law enforcement would have to get the information from the suspect corporation or one of its agents, thereby tipping off the corporation to the investigation. The proposal also failed to require the beneficial ownership information to be updated over time. These and other flaws in the proposal were identified by the Treasury Department, the Department of Justice, and others, but NASS continued on the same course.

NASS enlisted the help of the National Conference of Commissioners on Uniform State Laws or NCCUSL, which produced a proposed model law for States that wanted to adopt the NASS approach. NCCUSL presented its proposal at the Homeland Security and Governmental Affairs Committee's June 2009 hearing, where it was subjected to significant criticism. The Manhattan District Attorney's office, for example, testified: ''I say without hesitation or reservation—that from a law enforcement perspective, the bill proposed by NCCUSL would be worse than no bill at all. And there are two very basic reasons for this. It eliminates the ability of law enforcement to get corporate information without alerting the target of the investigation that the investigation is ongoing. That is the primary reason. It also sets up a system that is time-consuming and complicated.''

The Department of Justice testified: ''Senator, I would submit to you that in a criminal organization everyone knows who is in control and this will not be an issue of determining who is in control. What we are concerned about here from the law enforcement perspective are the criminals and the criminal organizations and so what we are asking is that when criminals use shell companies, they provide the name of the beneficial owner. That is the person who is in control, the criminal in control, as opposed to the NCCUSL proposal where they are suggesting that instead two nominees are provided—two nominees between law enforcement and the criminal in control.''

Despite these criticisms, NCCUSL finalized its model law in July 2009, issuing it under the title, ''Uniform Law Enforcement Access to Entity Information Act.'' At the November 2009 hearing, law enforcement again criticized the NCCUSL model for failing to provide the names of the true owners of the corporations being formed. The Justice Department testified: ''To allow companies to provide anything less than the beneficial owner information merely provides criminals with an opportunity to evade responsibility and put nominees between themselves and the true perpetrator.'' With regard to NCCUSL's proposal, Treasury testified: ''[T]here is not an obligation for that live person to not be a nominee. And what I think is important in the legislation is that we get at the true beneficial owner and not someone who may be a nominee.''

In addition to its flaws, the NCCUSL model law has proven unpopular with the States for whom it was written. Despite the effort and fanfare attached to the uniform model, after four years of sitting on the books, not a single State has adopted it or given any indication of doing so.

It is deeply disappointing that the States, despite the passage of many years, have been unable to devise an effective proposal to stop the formation of corporations with hidden owners. One key difficulty is that the States are competing against each other to attract persons who want to set up U.S. corporations. That competition creates pressure for each individual State to favor procedures that allow quick and easy incorporations, with no questions asked. It's a classic case of competition causing a race to the bottom, making it difficult for any one State to do the right thing and ask for the identity of the persons behind the corporations being formed.

That is why Federal legislation in this area is critical. Federal legislation is needed to level the playing field among the States, set minimum standards for obtaining beneficial ownership information, put an end to the practice of States forming millions of legal entities each year without knowing who is behind them, and bring the United States into compliance with its international commitments.

The bill's provisions would require the States to ask incorporation applicants for a list of the beneficial owners of each corporation or LLC formed under their laws, to maintain this information for a period of years after a corporation is terminated, and to provide the information to law enforcement upon receipt of a subpoena or summons. The bill would also require corporations and LLCs to update their beneficial ownership information on a regular basis. The ownership information would be kept by the State or, if a State maintains a formation agent licensing system and delegates this task, by a State's licensed formation agents.

The particular information that would have to be provided for each beneficial owner is the owner's name, address, and a unique identifying number from a State driver's license or a U.S. passport. The bill would not require States to verify this information, but penalties would apply to persons who submit false information.

In the case of U.S. corporations formed by individuals who do not possess a driver's license or passport from the United States, the bill would permit them to submit their names, addresses, and identifying information from a non-U.S. passport to a formation agent residing within the State. They would have to include a copy of a passport photograph. The incorporation application would have to include a written certification that the formation agent had obtained the information and verified the identity of the non-U.S. corporate owners. The formation agent would have to retain the information in the State for a specified period of time and produce it upon receipt of a subpoena or summons from law enforcement.

To ensure that its provisions are tightly targeted, the bill would exempt a wide range of corporations from the disclosure obligation. It would exempt, for example, virtually all highly regulated corporations, because we already know who owns them. That includes all publicly-traded corporations, banks, broker-dealers, commodity brokers, registered investment funds, registered accounting firms, insurers, and utilities. The bill would also exempt corporations with a substantial U.S. presence, including at least 20 employees physically located in the United States, since those individuals could provide law enforcement with the leads needed to trace a corporation's true

owners. In addition, the bill would exempt businesses set up by governments, churches, charities, and nonprofit corporations, since disclosure of their beneficial ownership information would not advance the public interest or assist law enforcement. These exemptions dramatically reduce the number of corporations who would actually have to file beneficial ownership information on state incorporation forms in order to ensure that the bill's disclosure obligations focus only on owners whose identities are currently hidden.

The bill does not take a position on the issue of whether the States should make beneficial ownership information available to the public. Instead, the bill leaves it entirely up to the States to decide whether, under what circumstances, and to what extent to make beneficial ownership information available to the public. The bill explicitly permits the States to place restrictions on providing beneficial ownership information to persons other than government officials. The bill focuses instead on ensuring that law enforcement with a subpoena or summons is given ready access to the beneficial ownership information.

Relative to the costs of compliance, the bill provides States with access to two separate funding sources, neither of which involves appropriated funds. For the first three years after the bill's enactment, the bill requires both the Justice and Treasury Departments to make funds available from their individual forfeiture programs to States incurring reasonable expenses to comply with the Act. These forfeiture funds do not contain taxpayer dollars; instead they contain the proceeds of forfeiture actions taken against persons involved in money laundering, drug trafficking, or other wrongdoing. The bill would direct a total of $40 million over 3 years to be provided to the States from the two funds to carry out the Act. These provisions would ensure that States have adequate funds for the modest compliance costs involved with adding a new question to their incorporation forms requesting the names of the covered corporations' beneficial owners.

The compliance costs would be modest, because the bill does not require any State to change its laws, set up new forms, create new databases of information, or verify the information provided. To the contrary, the only steps that a State would need to take would be to add one question to its existing incorporation form asking for the corporation's beneficial owners, keep that incorporation application on file which all States do already, and make the ownership information available to law enforcement upon receipt of a subpoena or summons.

It is common for bills establishing minimum Federal standards to seek to ensure State action by making some Federal funding dependent upon a State's meeting the specified standards. Our bill, however, states explicitly that nothing in its provisions authorizes the withholding of federal funds from a State for failing to modify its incorporation practices to meet the beneficial ownership information requirements of the act. Instead, the bill calls for a GAO report within 5 years of enactment to identify any States that had failed to strengthen their incorporation practices as required by the act. After getting this status report, a future Congress can decide what steps to take in the event there are any noncompliant States.

The bill also contains a provision that would require corporations bidding on federal contracts to provide the same beneficial ownership information to the federal government as provided to the relevant State. The Subcommittee has become aware of instances in which the federal government has found itself doing business with U.S. corporations whose owners are hidden, including owners under investigation for suspect conduct. It is important that when the federal government contracts to do business with someone, it knows who it is dealing with.

Finally, the bill would require the Treasury Department to issue a rule requiring U.S. formation agents to establish anti-money laundering programs to ensure they are not forming U.S. corporations or LLCs for wrongdoers. The bill requires the programs to be risk based so that formation agents can target their preventative efforts toward persons who pose a high risk of being involved with wrongdoing. GAO would also be asked to conduct a study of existing State formation procedures for partnerships, trusts, and charitable organizations to see if additional ownership disclosure requirements are warranted.

We have worked with the Departments of Justice, Treasury, and Homeland Security to craft a bill that would address, in a fair and reasonable way, the significant law enforcement problems created by States allowing the formation of millions of U.S. corporations and LLCs with hidden owners. When those corporations commit crimes, they affect not only interstate commerce with U.S. victims, but also our relationships with other countries whose citizens may become victims of U.S. corporate wrongdoing. What the bill comes down to is a simple requirement that States strengthen their incorporation applications to add a single question requesting identifying information for the true owners of the corporations they form. That is not too much to ask to protect this country and the international community from wrongdoers misusing U.S. corporations.

For those who say that, if the United States tightens its incorporation rules, new corporations will be formed elsewhere, it is appropriate to ask exactly where they will go. A recent report found that virtually every other country is already tougher than the United States in terms of demanding and verifying beneficial ownership information. Most offshore tax havens, for example, already require this information to be collected, including the Bahamas, Cayman Islands, and the Channel Islands. Countries around the world already request beneficial ownership information, in part because of their commitment to FATF's international anti-money laundering standards. Our 50 States should be meeting the same standards, but there is no indication that they will, unless required to do so.

I wish Federal legislation weren't necessary. I wish the States could solve this law enforcement problem on their own, but ongoing competitive pressures make it unlikely that the States will do the right thing. It's been nearly seven years since our 2006 hearing on this issue and more than four years since the States came up with a model law on the subject, with no progress to speak of, despite repeated pleas from law enforcement.

Federal legislation is necessary to reduce the vulnerability of the United States to wrongdoing by U.S. corporations with hidden owners, to protect interstate and international commerce from criminals misusing U.S. corporations, to strengthen the ability of law enforcement to investigate suspect U.S. corporations, to level the playing field among the States, and to bring the United States into compliance with its international anti-money laundering obligations.

There is also an issue of consistency. For years, I have been fighting offshore corporate secrecy laws and practices that enable wrongdoers to secretly control offshore corporations involved in money laundering, tax evasion, and other misconduct. I have pointed out on more than one occasion that corporations were not created to hide ownership, but to protect owners from personal liability for corporate acts. Unfortunately, today, the corporate form has too often been corrupted into serving those who wish to conceal their identities. It is past time to stop this misuse of the corporate form. But if we want to stop inappropriate corporate secrecy offshore, we need to stop it here at home as well.

For these reasons, I urge my colleagues to join us in supporting this legislation and putting an end to incorporation practices that promote corporate secrecy and render the United States and other countries vulnerable to abuse by U.S. corporations with hidden owners.

Mr. President, I ask unanimous consent that a summary of the bill be printed in the RECORD.

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

SUMMARY OF INCORPORATION TRANSPARENCY AND LAW ENFORCEMENT ASSISTANCE ACT

To protect the United States from U.S. corporations being misused to support terrorism, money laundering, tax evasion, and other misconduct, the Levin-Grassley-Feinstein-Harkin Incorporation Transparency and Law Enforcement Assistance Act would:

Beneficial Ownership Information. Require the States directly or through licensed formation agents to obtain the names of beneficial owners of the corporations or limited liability companies (LLCs) formed under State law, ensure this information is updated, and provide the information to law enforcement upon receipt of a subpoena or summons.

Shelf Corporations. Require formation agents who sell ''shelf corporations''—corporations formed for later sale to third parties—to identify the beneficial owners who buy them.

Federal Contractors. Require corporations or LLCs bidding on federal contracts to provide beneficial ownership information to the federal government.

Identifying Information. Require the provision of beneficial owners' names, addresses, and a U.S. drivers license or passport number, or information from a non-U.S. passport.

Penalties for False Information. Establish penalties for persons who knowingly provide false information, or willfully fail to provide required information, on beneficial ownership.

Exemptions. Exempt from the disclosure obligation regulated corporations, including publicly traded companies, banks, broker-dealers, insurers, and accounting firms; corporations with a substantial U.S. presence; and corporations whose beneficial ownership information would not benefit the public interest or assist law enforcement.

Funding. Provide $40 million over three years to States from existing Justice and Treasury Department forfeiture funds to pay for the costs of complying with the Act.

State Compliance Report. Specify that funds may not be withheld from any State for failure to comply with the Act, but also require a GAO report in five years identifying any States not in compliance so a future Congress can determine if additional steps are needed.

Transition Period. Give the States two years to begin requiring existing corporations and LLCs to provide beneficial ownership information.

Anti-Money Laundering Safeguards. Require paid formation agents to establish anti-money laundering programs to guard against supplying U.S. corporations or LLCs to wrongdoers. Attorneys using paid formation agents would be exempt from this requirement.

GAO Study. Require GAO to complete a study of existing beneficial ownership information requirements for partnerships, charities, and trusts.

By Mr. KAINE (for himself and Mr. WARNER):

S. 1470. A bill to amend the Federal Water Pollution Control Act with respect to the guidelines for specification of certain disposal sites for dredged or fill material; to the Committee on Environment and Public Works.

Mr. KAINE. Mr. President, today, my colleague Senator MARK WARNER and I are introducing the Commonsense Permitting for Job Creation Act of 2013, a bipartisan, bicameral piece of legislation to address an aspect of water permitting law that has touched several economic development projects.

In my home State of Virginia, there is a county that has been working on securing a permit for the proposed site of a business center, where one or multiple firms could establish job-creating manufacturing plants. This area—Henry County, on the North Carolina border, has seen profound economic challenges in recent years. The county's 5-year average unemployment rate is 11 percent. In the county's largest city, Martinsville, the 5-year average unemployment rate is over 17 percent. This part of Virginia would benefit greatly from the jobs this site could bring.

Henry County has worked with the U.S. Army Corps of Engineers on site preparation. However, the Corps has been reluctant to issue the permit because no company has yet committed to the site and prepared detailed blueprints. The problem is that a company will not relocate to the site without an approved permit, but a permit cannot be approved without a company willing to relocate.

Henry County, the Martinsville-Henry Co. Economic Development Corp., and the Commonwealth of Virginia have together devoted more than $16 million to this project. They have worked in good faith, at great cost in money and personnel hours, to promote economic development in line with environmental protection and all requirements of the law. Yet due to this regulatory ambiguity, this process is unable to move forward.

Our legislation clarifies that ambiguity. It specifies that the lack of a committed end-user shall not be a reason to deny a Corps permit that meets all other legal requirements. I believe this bill will allow the site in Henry County, and similar sites elsewhere, to move forward, while maintaining all environmental protections.

Senator WARNER and I have introduced this legislation in partnership with our friends and Virginia colleagues in the House, U.S. Representatives ROBERT HURT and MORGAN GRIFFITH. We believe this will expedite the approval of important economic development projects, and we are proud to be able to work across the aisle and with state and local officials on this commonsense, bipartisan solution.

By Mr. REED (for himself and Mr. BLUMENTHAL):

S. 1476. A bill to amend the Internal Revenue Code of 1986 to expand the denial of deduction for certain excessive employee remuneration, and for other purposes; to the Committee on Finance.

Mr. REED. Mr. President, today I am introducing, along with Senator BLUMENTHAL, the Stop Subsidizing Multimillion Dollar Corporate Bonuses Act. This bill closes a loophole that allows publicly traded corporations to deduct an executive's pay over $1 million from their tax bill.

Under current tax law, when a public corporation calculates its taxable income, generally it is permitted to deduct the cost of compensation from its revenues, with limits up to $1 million for some of the firm's most senior executives. However, a loophole has allowed many public corporations to avoid such limits and freely deduct excessive executive compensation. For example, because of this loophole, if a CEO receives $15 million in compensation in a given year, that amount can cause the corporation's taxable income to decline by $15 million. With the current corporate tax rate at 35 percent, the corporation in this case would pay less tax to the U.S. Treasury, up to 35 percent of $15 million, leaving the corporation's shareholders to bear only $9.75 million of the $15 million cost of executive pay, while U.S. taxpayers foot the remaining $5.25 million.

The Stop Subsidizing Multimillion Dollar Corporate Bonuses Act would allow a public corporation to deduct compensation up to only $1 million. Using the same example, this would mean that corporate shareholders would bear $14.65 million of the $15 million in compensation.

Over a ten-year window, the Joint Committee on Taxation has estimated this legislation would close a loophole that costs U.S. taxpayers over $50 billion by making some simple changes to existing law.

First, our legislation extends section 162(m) of the tax code to all employees of publicly traded corporations so that all compensation is subject to a deductibility cap of $1 million. Publicly traded corporations would still be permitted to pay their executives as much as they want, but compensation above and beyond $1 million would no longer be bankrolled, in part, through our tax code.

Second, our bill removes the exemption for performance-based compensation, which currently permits compensation deductions above and beyond $1 million when executives have met performance benchmarks set by the corporation's Board of Directors. As a result, publicly traded corporations would still be able to incentivize their executives, but all such incentives would be subject to a corporate deductibility cap of $1 million.

Finally, our legislation makes a technical correction to ensure that all publicly traded corporations that are required to provide quarterly and annual reports to their investors under Securities and Exchange Commission rules and regulations are subject to section 162(m). Currently, this section of the tax code only covers some publicly traded corporations who are required to provide these periodic reports to their shareholders. Discouraging unrestrained compensation packages shouldn't hinge on whether a publicly traded corporation falls into one SEC reporting requirement or another, and my bill closes this technical loophole.

With this legislation, we aim to put an end to some of the extravagant tax breaks that exclusively benefit public corporations. This is simply a matter of fairness at a time of fiscal belt tightening, when so many of our constituents have already sacrificed.

I want to thank Senator BLUMENTHAL and his staff for working with me on this issue, and I urge our colleagues to

join us by cosponsoring this legislation.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 212—COMMENDING DAVID J. SCHIAPPA

Mr. MCCONNELL (for himself, Mr. REID of Nevada, Mr. ALEXANDER, Ms. AYOTTE, Ms. BALDWIN, Mr. BARRASSO, Mr. BAUCUS, Mr. BEGICH, Mr. BENNET, Mr. BLUMENTHAL, Mr. BLUNT, Mr. BOOZMAN, Mrs. BOXER, Mr. BROWN, Mr. BURR, Ms. CANTWELL, Mr. CARDIN, Mr. CARPER, Mr. CASEY, Mr. CHAMBLISS, Mr. CHIESA, Mr. COATS, Mr. COBURN, Mr. COCHRAN, Ms. COLLINS, Mr. COONS, Mr. CORKER, Mr. CORNYN, Mr. CRAPO, Mr. CRUZ, Mr. DONNELLY, Mr. DURBIN, Mr. ENZI, Mrs. FEINSTEIN, Mrs. FISCHER, Mr. FLAKE, Mr. FRANKEN, Mrs. GILLIBRAND, Mr. GRAHAM, Mr. GRASSLEY, Mrs. HAGAN, Mr. HARKIN, Mr. HATCH, Mr. HEINRICH, Ms. HEITKAMP, Mr. HELLER, Ms. HIRONO, Mr. HOEVEN, Mr. INHOFE, Mr. ISAKSON, Mr. JOHANNS, Mr. JOHNSON of Wisconsin, Mr. JOHNSON of South Dakota, Mr. KAINE, Mr. KING, Mr. KIRK, Ms. KLOBUCHAR, Ms. LANDRIEU, Mr. LEAHY, Mr. LEE, Mr. LEVIN, Mr. MANCHIN, Mr. MARKEY, Mr. MCCAIN, Mrs. MCCASKILL, Mr. MENENDEZ, Mr. MERKLEY, Ms. MIKULSKI, Mr. MORAN, Ms. MURKOWSKI, Mr. MURPHY, Mrs. MURRAY, Mr. NELSON, Mr. PAUL, Mr. PORTMAN, Mr. PRYOR, Mr. REED, Mr. RISCH, Mr. ROBERTS, Mr. ROCKEFELLER, Mr. RUBIO, Mr. SANDERS, Mr. SCHATZ, Mr. SCHUMER, Mr. SCOTT, Mr. SESSIONS, Mrs. SHAHEEN, Mr. SHELBY, Ms. STABENOW, Mr. TESTER, Mr. THUNE, Mr. TOOMEY, Mr. UDALL of Colorado, Mr. UDALL of New Mexico, Mr. VITTER, Mr. WARNER, Ms. WARREN, Mr. WHITEHOUSE, Mr. WICKER, and Mr. WYDEN) submitted the following resolution; which was considered and agreed to:

S. RES. 212

Whereas, David Schiappa has loyally served the Senate for 29 years, his entire professional career, starting in the Senate in December 1984;

Whereas, David Schiappa grew up in Maryland and graduated from DeMatha Catholic High School, the University of Maryland, and Johns Hopkins University;

Whereas, David Schiappa rose through all the positions in the Republican Cloakroom finally serving as either Secretary for the Majority or Secretary for the Minority for the last three Republican Leaders;

Whereas, David Schiappa has at all times discharged the duties of his office with great dedication, diligence, and sense of service, thus earning the respect of Republican and Democratic Senators alike, as well as their staffs; and

Whereas, his good humor, storytelling ability, and easy-going manner have made him an invaluable member of the Senate family. Now, therefore, be it

Resolved, That the Senate expresses its appreciation to David Schiappa and his family and commends him for his outstanding and faithful service to the Senate.

The Secretary of the Senate shall transmit a copy of this resolution to David J. Schiappa.

SENATE RESOLUTION 213—EXPRESSING SUPPORT FOR THE FREE AND PEACEFUL EXERCISE OF REPRESENTATIVE DEMOCRACY IN VENEZUELA AND CONDEMNING VIOLENCE AND INTIMIDATION AGAINST THE COUNTRY'S POLITICAL OPPOSITION

Mr. MENENDEZ (for himself, Mr. RUBIO, Mr. NELSON, Mr. KAINE, Mr. UDALL of New Mexico, Mr. MCCAIN, and Mr. KIRK) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 213

Whereas the National Electoral Council (CNE) of Venezuela declared Nicolás Maduro to be the winner of Venezuela's April 14, 2013, presidential election, after crediting him with receiving 50.6 percent of votes cast;

Whereas Venezuela's political opposition has highlighted widespread incidents of potential electoral irregularities, voter intimidation, and other abuses perpetrated by the Government of Venezuela in favor of the candidacy of Nicolás Maduro;

Whereas the Organization of American States and other multilateral institutions called for a full recount and audit that addresses all claims by participants in the electoral process in Venezuela;

Whereas the Senate of the Republic of Chile, the Christian Democratic Organization of the Americas, the Socialist International, the Union of Latin American parties, and other political organizations in the region have issued declarations recognizing the alleged irregularities documented by the opposition in Venezuela and urged a complete audit of the election results;

Whereas the CNE has denied the political opposition's request for a full and comprehensive audit of the election results that includes the review and comparison of voter registry log books, vote tallies produced by electronic voting machines, and the paper receipts printed by electronic voting machines;

Whereas the Preamble of the Charter of the Organization of American States affirms that ''representative democracy is an indispensable condition for the stability, peace and development of the region,'' and Article 1 of the Inter-American Democratic Charter recognizes that ''the people of the Americas have a right to democracy and their governments have an obligation to promote and defend it'';

Whereas the republican form of government prescribed in the Constitution of the Bolivarian Republic of Venezuela has its legislative branch in the National Assembly, where the free participation and deliberation of its democratically elected representatives is essential to legislate and check the powers of the executive branch;

Whereas the President of the National Assembly denied opposition parties the right to speak in the legislature from April 16 to May 21, 2013, and removed them from key committees in response to their refusal to recognize Nicolás Maduro as president;

Whereas members of the ruling United Socialist Party of Venezuela (PSUV) violently assaulted opposition legislators on April 16 and April 30, 2013, in the National Assembly, causing lacerations, broken bones, and other injuries to members of the political opposition;

Whereas the Department of State responded to the violence against opposition legislators in Venezuela by declaring that ''violence has no place in a representative and democratic system, and is particularly inappropriate in the National Assembly'';

Whereas the Secretary General of the Organization of American States (OAS) has repudiated the incident by stating that it ''reflects, in a dramatic manner, the absence of a political dialogue that can bring tranquility to the citizens and to the members of the different public powers to resolve in a peaceful climate and with everybody's participation the pending matters of the country'';

Whereas the Congress of the Republic of Peru passed a resolution rejecting the use of violence against opposition parties in the Venezuelan National Assembly and expressing solidarity with those injured by the events of April 2013; and

Whereas, as a member of the Organization of American States and signatory to the Inter-American Democratic Charter, the Bolivarian Government of Venezuela has agreed to abide by the principles of constitutional, representative democracy, which include free and fair elections and adherence to its own constitution: Now, therefore, be it

Resolved, That the Senate—

(1) supports the people of Venezuela in their pursuit of the free exercise of representative democracy in Venezuela;

(2) calls for greater dialogue between all political actors in Venezuela and strongly deplores the undemocratic denial of legitimate parliamentary rights to members of opposition parties in the National Assembly and the inexcusable violence perpetrated against opposition legislators inside the legislative chambers of Venezuela;

(3) commends legislators from other nations in the Americas who have declared their opposition to political irregularities and the use of violence against opposition parliamentarians in Venezuela;

(4) urges the Organization of American States to issue a detailed report on any and all irregularities resulting from the April 14, 2013, presidential election in Venezuela;

(5) urges the United States Ambassador to the Organization of American States to work in concert with other member states to use the full power of the organization in support of meaningful steps to ensure full parliamentary democracy and the rule of law in Venezuela in accordance with the Inter-American Democratic Charter, including invoking articles related to unconstitutional interruptions of the democratic order in a member state; and

(6) urges the United States Ambassador to the Organization of American States to work in concert with other member states to strengthen the ability of the Organization to protect democratic institutions and to respond to the erosion of democracy in member states.

SENATE RESOLUTION 214—DESIGNATING THE WEEK OF OCTOBER 13, 2013, THROUGH OCTOBER 19, 2013, AS ''NATIONAL CASE MANAGEMENT WEEK'' TO RECOGNIZE THE VALUE OF CASE MANAGEMENT IN IMPROVING HEALTHCARE OUTCOMES FOR PATIENTS

Mr. PRYOR (for himself and Mr. BOOZMAN) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 214

Whereas case management is a collaborative process of assessment, education, planning, facilitation, care coordination, evaluation, and advocacy;

Whereas the goal of case management is to meet the health needs of the patient and the